



Daily Report

China

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Daily Report

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United States & Canada

Sino-American AIDS Symposium Opens in Beijing

OW0811195690 Beijing XINHUA in English
1543 GMT 8 Nov 90

[Text] Beijing, November 8 (XINHUA)—A two-day Sino-American symposium on the management of HIV disease opened in Beijing today.

The delegates include 250 Chinese and 140 American experts from medical, legal, educational, social and religious circles.

Chen Minzhang, Chinese minister of public health, gave an opening speech at the symposium.

Since the early 1980s, the HIV disease has gradually become an infectious disease which seriously harms the health and life of human beings and causes a series of social problems, Chen said. The Chinese Government has shown great concern and carried out measures to prevent and control the disease.

Chen said that the potential danger of AIDS spreading is very severe. "To effectively restrain the spread and finally put under control this deadly infectious disease, we must take unified and transregional and transnational measures and set up a global network for prevention and treatment," he said.

He said he believed that the symposium would further strengthen the exchanges and co-operation in the field of AIDS prevention and treatment between American and Chinese professionals, and further promote the prevention and control of AIDS in China.

The leader of the U.S. delegation, Dr. Constance B. Wofsy, a professor of clinical medicine at the University of California in San Francisco, gave a speech on the management of HIV disease in the United States.

The symposium was organized by the Chinese Medical Association and the People to People International Citizen Ambassador Program.

By August 31 this year, 157 countries and regions had reported 283,021 cases of AIDS to the World Health Organization (WHO). According to the WHO, there are actually eight million people who are HIV carriers and 700,000 people who are AIDS patients at present worldwide.

Programs Strengthened

OW0811200090 Beijing XINHUA in English
1534 GMT 8 Nov 90

[Text] Beijing, November 8 (XINHUA)—Since the first AIDS case was reported in China in June 1985, the Chinese Government has strengthened comprehensive prevention measures which place emphasis on controlling sexual transmission of the disease, given publicity to the danger of the disease, banned prostitution, and

strengthened monitoring, research and technical training in the fight against the disease.

He Jiesheng, Chinese vice-minister of public health, said at a Sino-American symposium on AIDS, which opened here today that counter-measures against aids adopted by Chinese Government have achieved initial success.

She said that AIDS has been listed since 1986 as a major infectious disease which must be reported. The Ministry of Public Health has set up monitoring stations in almost all the provinces, autonomous regions and municipalities, she added.

Three laboratories to diagnose positive antibodies of the HIV virus have been set up, she noted.

According to incomplete statistics, from 1985 to September this year, the Ministry of Public Health conducted HIV blood serum tests on 300,000 people of the risk population in the country, and 446 people were found to be HIV antibody positive, 68 of whom were from overseas. Five of them were diagnosed to be AIDS patients.

She said that one of the successes of the past few years has been in publicity and education in public health. Since there is no cure for AIDS yet, publicity plays an important role in the fight against the disease, she added.

The vice-minister said that in recent years the Chinese Government has promulgated a series of regulations concerning the monitoring and control of AIDS.

She said that China had strengthened its efforts to clamp down on drug trafficking and taking in order to prevent the spread of the HIV virus via intravenous injection.

She said that venereal diseases have been making a comeback recently in a number of coastal cities and China's public health departments have been trying to preventing the spread of AIDS via sexual contact.

Soviet Union

PRC Reportedly To Buy Soviet Military Aircraft

LD0911041690 Belgrade TANJUG in English
0202 GMT 9 Nov 90

[Text] Beijing, November 9 (TANJUG)—China will buy sophisticated Soviet military aircraft as under the two countries' agreement in principle, well-informed diplomatic sources here say.

According to the agreement, confirmed during Soviet Deputy Prime Minister I. Belousov's recent visit to Beijing, China will buy 24 Su-27 Suhoi planes.

The sources say that the two countries' experts will hold technical negotiations on the exact number of aircraft and other military equipment and conditions of the purchase.

China has purchased the bulk of its weaponry—from tanks to aircraft—from the Soviet Union. During its fierce dispute with the Soviet Union in the 1960's China intensified the development of its own weapons, making its aircraft, tanks, and other weapons according to Soviet ones.

Northeast Asia

Japan Reportedly Discards Peace Cooperation Bill

OW0811170290 Beijing XINHUA in English
1641 GMT 8 Nov 90

[Text] Tokyo, November 8 (XINHUA)—The ruling Liberal Democratic Party (LDP) and the opposition camp today agreed to scrap a government-proposed United Nations Peace Cooperation Bill which allows the dispatching of Japan's Self-Defence Forces (SDF) personnel overseas to assist in U.N. peacekeeping operations.

The agreement came at a meeting of secretaries general of the LDP and three opposition parties—the Japan Socialist Party (JSP), Komeito, and the Democratic Socialist Party (DSP), political sources said.

Analysts said the bill has aroused strong objections at home and fears from Japan's Asian neighbors.

The House of Representatives will not take a vote on the bill at the current extraordinary Diet session which will end on November 10. The bill will never be referred to the second chamber, the House of Councillors.

News reports said the LDP is now leaning toward seeking an agreement with the opposition parties in line with a new plan to create a U.N. cooperation corps without the participation of SDF personnel.

All opposition parties, except for the DSP, opposed the bill, saying overseas deployment of the SDF personnel is unconstitutional.

At present, if voted, the bill is certain to be killed in the current 30-day extraordinary Diet session.

The LDP has a comfortable majority in the House of Representatives but the opposition camp is dominant in the House of Councillors. The bill needs approval by both houses to become law.

Decision Welcomed

HK0811153890 Hong Kong AFP in English 1523 GMT
8 Nov 90

[Text] Beijing, Nov 8 (AFP)—China on Thursday welcomed Japan's decision to abandon a plan to send non-combatant troops to the Gulf, reiterating its opposition in principle to a revival of Japanese militarism.

"Our position, that China disapproves the dispatch by the Japanese government of self-defense troops to the

Gulf region, is a very clear-cut one," Foreign Ministry spokeswoman Li Jinhua told a weekly news conference here.

She was responding to Tokyo's decision Tuesday to scrap its plan to send non-combatant personnel to join multinational forces in the Gulf, in what would have been the first deployment of Japanese troops abroad since World War II.

Former Korean War Volunteer on Memoirs

HK0811053690 Beijing RENMIN RIBAO in Chinese
24 Oct 90 p 4

[Article by Zhao Yongtian (6392 0516 3944) and Zhou Bizhong (0719 1801 1813): "For the Sake of Peace—an Interview With General Yang Dezhi, former Commander of the Chinese People's Volunteers"]

[Text] It has been fully 40 years since the eruption of the Korean War, which shocked the whole world. During this period, there were all sorts of memoirs, histories, monographs, and so on published on the war. There are too many to mention them individually. As former commander of the volunteers for one term, who has experienced the zigzags of history, where does Yang Dezhi focus his vision and thought? On the eve of the 40th anniversary of the Chinese People's Volunteers entering and fighting in Korea, we visited General Yang, who is now in his 80's.

General Yang still came to the doorway to welcome us, even though when we contacted his working personnel in advance we asked that he not do so. After entering the reception room and getting ourselves seated, the old general picked up two copies of "For the Sake of Peace" from the table and handed them over to us, saying:

"This is an important experience in my military career. I wonder if you two have read the book."

The book "For the Sake of Peace" is General Yang's second memoir, written particularly about his personal combat experience in Korea. After its 1987 publication, the book was greatly welcomed by readers and we have also read it more than once. From the book, we understand that General Yang led his forces into Korea on 16 February 1951 as commander of the 19th Corps. At that time, the volunteer units under Commander Peng Dehuai's command had fought four campaigns hand-in-hand with the Korean People's Army. In April of the same year, General Yang Dezhi led his troops to take part in the fifth campaign. In July 1952, he became the Volunteers Headquarters' second deputy commander, and in November 1954 he became the commander of the Volunteers until he returned home. Although specific outlines of the previous four campaigns were not described in his book, we are still able to discern the general picture of the war.

In this way, we naturally entered into a conversation centering on "For the Sake of Peace."

General Yang opened a map and pointed at the locations where the two sides had fought in all previous battles, saying: "The Korean War was a partial war of the largest scale since World War II.

"In those days when gunfire licked the heavens, nearly two million troops of the two warring parties actually gathered on the Korean peninsula. After over three years of trials of strength, an armistice was finally signed at Panmunjom on the 38th parallel. This is the victory of the Chinese and the Korean people and also the victory of the cause of world peace as well." After that, he changed the subject of conversation: "We were forced to launch the mass movement of 'resisting U.S. aggression, aiding Korea, and protecting our homes and defending our country.'" To support the Korean people in their just struggle, the Chinese people sent volunteers composed of hundreds of thousands of its fine sons and daughters who, holding aloft the banner of internationalism and patriotism, went to fight in Korea side by side with our Korean comrades-in-arms, to repel the invading forces back to a place near the 38th parallel, thereby causing the war to take a turn for the better and creating a favorable condition beneficial to stabilizing the situation in the Far East, particularly to the Korean issue's peaceful settlement.

While saying this, General Yang's facial expression was serious, his voice sonorous and forceful and his tone resolute and decisive. He waved his hands by way of habit. We listened quietly, waiting for him to continue his talk along this train of thought.

"At that time, our country was just founded, full-scale reconstruction on every side was to be undertaken and we were faced with tremendous difficulties. But the opponent we faced was well-equipped. A very important reason why we dared to face such a strong enemy was that we relied on the Chinese nation's great spirit of righteousness. Such a great spirit of righteousness was steadily cultivated by our ancestors who experienced numerous domestic troubles and foreign invasions. When it is handed down to us communists, it has been exalted to a new level. I quite agree with General Hong Xuezhai's words. He said: 'The Chinese nation's righteousness and spirit was brought to the fullest play in this war.' At present, we also rely on such righteousness to carry out our economic construction, reform, and opening up in recent years. It can be said that only by relying on it can we, the Chinese nation, continue to exist to this day, advance toward the four modernizations, and stand like a giant towering in the family of nations of the world."

At this point, the old general paused for a while and looked at us as if he was seeking our opinions. We nodded our heads.

We learned that General Yang had kept medals awarded to him by the Korean Government in those years, and we wanted very much to take a look at them. At this, the old general opened a drawer with intensive interest and held

in his two hands five glittering national flag medals, first class. Over the past several decades, he has kept them all along as his treasured collection, because they symbolize the militant friendship between the Chinese and Korean peoples. During the war years, the volunteers and the Korean People's Army faced life and death together, shared the same fate, and shed blood for a common cause. After the truce, scenes of devastation met the eye everywhere. When the Korean people set about curing the wounds of war, the volunteers were ordered to help the Korean people resume production and live and work in peace and contentment. Night and day, officers and men of the volunteers were engaged in industrial and agricultural endeavors. From the east coast to the west coast, they worked in concerted efforts and shared weal and woe with the industrious Korean people, repairing factories; building hospitals, houses owned by civilians, and shops; digging ditches and wells; constructing bridges; and repairing roads.

With a heavy Hunan accent, the 80 year-old General Yang continued to say: "We often say that the Sino-Korean friendship was sealed with blood. These words are very true. The Sino-Korean friendship will flow unceasingly like the rolling Yalu River."

General Yang talked volubly. When touching on the evaluation of this war and forecasting the peninsula's situation, the old general, who has been relieved of his duties as chief of the Liberation Army's General Staff and is now a member of the Central Advisory Commission Standing Committee, calmly said to us after, slightly pondering over the matter: "In my opinion, however varying the views may be, there is at least one which cannot be repudiated, namely, it is increasingly unworkable for the superpowers to pursue hegemonism and power politics, and interfere in internal affairs of other countries. This is one of the predominant characteristics of the post-war international situation. The Korean War is a strong proof for this. We maintain that matters that concern the whole world should be handled through consultation by all nations and matters of various countries should be handled by the relevant countries through consultation. As far as state relations are concerned, they should be handled in accordance with the five principles of peaceful coexistence. As far as the Korean peninsula is concerned, the country must be unified and its people want peace and reunion. This is the inexorable trend of the development of history. The United States should withdraw all its troops from South Korea and the Korean issue should be peacefully settled by all the people of Korea through consultation. Since an armistice could be reached through negotiation in those years, the Korean issue may also be resolved now through dialogue between the North and the South."

At parting, we asked General Yang to sign the book as a souvenir. The old general gladly wielded his writing brush and wrote down three big characters "Yang Dezhi" in cursive hand. After completing the writing, he again pointed to the name of the book and said to us: "The four characters of 'For the Sake of Peace' show that

we hope for world peace and stability in the political situation on the Korean peninsula. We hoped so in those days, and also do so now, because we need a peaceful international environment to concentrate our energy on our country's construction."

In front of General Yang, we felt that the book "For the Sake of Peace" carried a much heavier weight.

Southeast Asia & Pacific

More on Micronesian President's Qingdao Visit

SK0911050390 Jinan Shandong Provincial Service
in Mandarin 2300 GMT 7 Nov 90

[Text] John Hagelgam, president of the Federated States of Micronesia, who came to our country for a state visit upon the invitation of PRC President Yang Shangkun, left Qingdao by special plane at 1400 on the afternoon of 7 November, after winding up his visit to Shandong's Qingdao.

During the past three days, President Hagelgam and his wife zestfully toured some famous scenic spots in Qingdao City, and visited some plants and shops. Wherever they went, they were welcomed warmly by friendly Qingdao citizens. The achievements scored by Qingdao City since its opening to the outside world have attracted great interest of the guests. Whenever President Hagelgam visited a plant, he zestfully wrote a few words of encouragement as a memento. When he departed the Qingdao Shell Carving Handicrafts Plant, he excitedly wrote on the visitors' book: Your warm reception and elegant handicrafts have made an extremely deep impression on me. I will remember this visit forever. At the Qingdao Refrigerator Plant, while visiting the production lines, President Hagelgam inquired about the plant's refrigerator production history, technological standards, and export situation; and then repeatedly praised the Chinese Government for its good methods of administering the country, and expressed appreciation for the progress pace of China's industrial modernization.

At 1430 on the afternoon of 7 November, President Hagelgam and his entourage left Qingdao for Shanghai by special plane in the company of (Li Qinglan), head of the accompanying team. Zhao Zhihao, Qin Jiahao, and other provincial and Qingdao City responsible persons saw them off at the airport.

Fujian Delegation Meets President Aquino

OW0811142390 Beijing XINHUA in English
1147 GMT 8 Nov 90

[Text] Manila, November 8 (XINHUA)—Philippine President Corazon Aquino met with a 55-member southern Fujian music delegation from China at the Presidential Palace here today.

The president recalled with "much fondness" her visit to China in 1988 especially to the Fujian Province, the home of her ancestors.

"When you return to your country I hope you will tell your people there that here in the Philippines we warmly welcome our Chinese friends and we hope that there will be many more exchanges of people-to-people programs," President Aquino said.

The southern Fujian music cultural exchange delegation is on a week-long visit to the Philippines upon the invitation of a local Chinese music association.

President Aquino's Chinese distant uncle Xu Yuanxing, 65, was one of the musical directors of the delegation.

Xu's grandfather is the brother of President Aquino's grandfather. Xu met his niece when she visited Fujian Province in April 1988.

To her delight, the music delegation serenaded Mrs. Aquino with an ancient Chinese love song entitled "Liang Shanbo and Zhu Yingtai."

The delegation also presented to Mrs. Aquino an album chronicling all her official activities during her visit to the Fujian Province.

Near East & South Asia

Qian Qichen Meets With Saudi Foreign Minister

OW0811201090 Beijing XINHUA in English
1934 GMT 8 Nov 90

[By Zhou Zexin]

[Text] Riyadh, November 8 (XINHUA)—Chinese Foreign Minister Qian Qichen had talks with his Saudi counterpart Prince Sa'ud al-Faysal here this afternoon to exchange views on the Gulf crisis and bilateral relations.

A well-informed Chinese source said Qian briefed the Saudi minister of foreign affairs on his earlier meetings with leaders of Egypt and Kuwait and the U.S. Secretary of State James Baker, while al-Faysal acquainted the Chinese foreign minister with Saudi Arabia's position on the Gulf crisis.

Al-Faysal welcomed the Chinese foreign minister's visit to Saudi Arabia at a critical moment of the Gulf crisis, and expressed appreciation for the just position taken by China on the Iraqi invasion of Kuwait.

Emerging from the meeting, Qian told reporters that both sides are concerned about the Gulf situation, believing that the Gulf situation has reached a critical moment which requires efforts for "a just and reasonable solution."

According to the source, Qian said at the meeting that China always believes Saudi Arabia "is a factor for peace and stability in the Middle East region," and attaches

importance to Saudi Arabia's influence and role in the Middle East, the Gulf region in particular.

Qian further praised Saudi Arabia for its efforts in promoting the Middle East peace process, trying to solve the Lebanese crisis, maintaining the stability of the Gulf area and promoting Arab solidarity, the source said.

The two sides agreed to continue consultations on the Gulf situation and expressed their readiness to continue to work for a peaceful solution to the Gulf crisis.

Under arrangements by the Saudi side, the Chinese foreign minister will meet Saudi King Fahd in Jeddah next Monday.

On bilateral relations, the source said, the two foreign ministers were "satisfied" with the smooth development that has been recorded in the relations between the two countries in the short period after normalization.

China and Saudi Arabia established diplomatic relations in July this year and Qian is the first high-ranking official to visit the kingdom since then.

Following the meeting with al-Faysal, the Chinese foreign minister visited the Gulf Cooperation Council (GCC) headquarters and had talks with GCC Secretary General 'Abdallah Bishara.

The Chinese foreign minister, who arrived here Wednesday from Cairo on a four-nation Middle East tour, will leave for Jordan tomorrow and continue on to Iraq later before returning to Saudi Arabia.

Li Peng, Sudanese Leader Exchange Views

OW0811154890 Beijing XINHUA in English
1458 GMT 8 Nov 90

[Text] Beijing, November 8 (XINHUA)—Chinese Premier Li Peng and 'Umar Hasan Ahmad al-Bashir, chairman of the Command Council of the National Salvation Revolution of the Sudan, exchanged views on bilateral relations and international issues here today.

Li praised the traditional Sino-Sudanese ties, pointing out that the two countries have seen a steady growth of relations in the political, economic, trade and cultural fields since the establishment of diplomatic relations three decades ago.

Al-Bashir said that the Sudan attaches special importance to developing friendly ties with those countries which are sincere in aiding his country.

He said that the Sudanese people treasure their ties with China because Chinese aid to the Sudan has no conditions attached.

Li and al-Bashir expressed the hope that al-Bashir's visit will help push the friendship and co-operation between the two countries to a new level.

The two leaders held detailed discussions on ways and means for furthering the ties between the two countries, according to a Chinese official present at the talks.

Discussing the world situation, Li said that the world is now experiencing a switch from the old pattern to a new one, and the world is not tranquil.

The unreasonable international economic relations, plus other factors, have confronted the developing countries with more difficulties. Therefore, it is all the more important for the developing countries to strengthen unity and co-operation, he said.

Li explained the Chinese Government's position on the Gulf crisis, saying that while the call for a peaceful settlement to the crisis has become louder, the danger of a war breaking out is all the more imminent.

"So long as there is a shadow of hope for a peaceful settlement, the international community should work for it," Li said.

He told al-Bashir that preparations are under way in China for working out a new economic development program.

The Chinese Government will see to it that the reform and open policies, which were initiated by Deng Xiaoping ten years ago, will remain unchanged. The government will work for a sustained, steady and harmonious development of the national economy, Li said.

He added that the government will concentrate its efforts on two things: economic development and promotion of socialist spiritual civilization.

Earlier today, al-Bashir laid a wreath to the Monument of the People's Heroes and visited the Palace Museum in downtown Beijing.

West Europe

Artist Seeks 'Freedom of Expression' in France

HK0811015390 Hong Kong SOUTH CHINA
MORNING POST in English 8 Nov 90 p 1, 12

[By Willy Wo-lap Lam and Chris Yeung]

[Text] World-famous Chinese painter Fan Zeng said he had fled China to seek "freedom of expression and creativity" in the West.

Fan, 52, who is also a member of the Chinese People's Political Consultative Conference, is the most prominent public figure to have taken unauthorised leave of China after former NEW CHINA NEWS AGENCY director Mr Xu Jiatun went to the United States in May.

The painter, who arrived in Paris late on Monday from Hong Kong, where he was in transit after an art exhibition in Singapore, said he would not join the overseas dissident movement nor take part in politics.

Fan, who entered France on a valid visa, also indicated he would not seek political asylum, even though he would work in France in the near future.

He told close friends in the French capital, including the former chairman of the Paris-based dissident organisation, the Federation for a Democratic China (FDC), Mr Yan Jiaqi, that he feared his freedom of movement would be restricted if he was to remain in China.

Fan, who was supposed to have returned to Beijing yesterday, pointed out that as a result of the sympathy he had shown student demonstrators last year, as well as his recent criticisms of the Chinese leadership, he might be barred from leaving China.

"While in China, I was engulfed by a heavy sense of suppression," Mr Yan quoted Fan as saying.

"I was ordered to fulfil political obligations, like doing paintings for this and that visiting dignitary. I do not want to add lustre to this regime through my works of art."

During the pro-democracy movement in the spring of last year, Fan, who is head of the Department of Oriental Art at the prestigious Nankai University in the East China city of Tianjin, donated 50,000 yuan (HK\$82,500) to the student protesters.

He also wrote supportive letters to campus activities, including Mr Wuer Kaixi, who is now in exile in the United States.

After the June 4 crackdown, Fan was not publicly censured because of his international prominence and because of the backing of his good friend, liberal Politburo member Li Ruihuan, a former Tianjin mayor.

However, the painter ran further afoul of the authorities because of interviews he gave the Hong Kong press during an art exhibitikon here in August.

In those interviews, he indirectly attacked leaders including Vice-President Mr Wang Zhen and Prime Minister Mr Li Peng. Fan also said "the so-called bourgeois-liberal activists actually want to make China a better place".

These remarks enraged the conservative wing of the party. The authorities cancelled a trip that he was scheduled to have made to South Korea last month.

While he was in Hong Kong, Fan, together with his long-time companion, Ms Nan Li, was reportedly chaperoned by three plain-clothes security men.

Ms Nan, who was also supposed to have returned to China yesterday, arrived in Paris on Tuesday.

Mr Yan said yesterday Fan's decision to go to France was a personal one and that the FDC had not furnished any help for his flight.

"Fan Zeng left China because of his disgust with a regime that crushed the student movement," Mr Yan said. "He just refuses to provide his services to this regime."

An FDC spokesman, Mr Lu Yang, said Fan's dramatic action would be a major blow to Beijing.

"This shows that such a well-known and important figure as Mr Fan has lost trust in the Government," he said.

Fan was resting in a Paris hotel yesterday. He is scheduled to give a press conference tomorrow.

A spokesman for the Consultative Conference said in Beijing yesterday the organisation was not aware of Fan's trip to Paris.

Fan's colleagues at Nankai University said yesterday they did not believe that he had fled to France.

The local office of the NEW CHINA NEWS AGENCY would not comment on the matter.

But a mainland official expects that tighter rules on the overseas travel of mainland cadres might be introduced following Fan's unauthorised departure and that of Beijing opera star Lei Ying last month.

"The visits (of mainland officials) in Hong Kong will certainly be affected. It's not a good thing that some of them have gone abroad one after another. China will monitor this matter more closely," the official said.

A specialist in traditional ink painting, Fan has held art exhibitions in Japan and North America.

Will Not Effect Visits

HK0911024390 Hong Kong HONGKONG STANDARD in English 9 Nov 90 p 10

[By Amy Choi and Alan Nip]

[Text] Chinese painter Fan Zeng's flight to France will not affect visits by other mainland artists, a deputy director of the local branch of the XINHUA NEWS AGENCY said yesterday.

Mr Zheng Hua said the incident would not affect China's cultural exchanges with the West.

Prof Fan, 52, who is also a member of the Chinese People's Political Consultative Conference, fled to Paris on Monday during a brief stopover in Hong Kong.

Mr Zheng said there would be no restrictions on mainland artists visiting Hong Kong despite Professor Fan's failure to return to China on Wednesday.

"He (Prof Fan) will still be welcome if he wants to go back to the country," said Mr Zheng, adding that he thought the artist would not say anything harmful to China.

In Paris, a self-claimed friend of Prof Fan denied that the painter planned to visit Taiwan as reported in some newspapers.

Xu Gang, a Chinese poet residing in Paris, told the HONGKONG STANDARD that Prof Fan had no desire to visit Taipei although he enjoyed a good reputation there.

Prof Fan was not available for comment. He planned to give a news conference in Paris today.

Mr Xu's remarks may reflect the professor's desire to avoid offending the Chinese authorities.

He said Prof Fan decided to go to Paris because he wanted to seek "freedom of expression and creativity".

Prof Fan is the head of the Department of Oriental Art at the prestigious Nankai University in Tianjin.

He was said to have donated 50,000 yuan (HK\$82,500) to the student protesters last year during the pro-democracy demonstrations in Beijing.

Prof Fan left his wife, Bian Bao-hua, and daughter in China. He is said to have filed for divorce.

"This could be a factor that prompted Prof Fan to leave China," Mr Xu said.

He said Prof Fan's action was not a "defection" as he had a Chinese passport and a valid visa.

Sino-Danish Literature Symposium Opens in Beijing

OW0611214590 Beijing XINHUA in English
1554 GMT 6 Nov 90

[Text] Beijing, Nov 6 (XINHUA)—A Sino-Danish literature symposium, sponsored by China's Foreign Literature Research Institute and the Danish Embassy in Beijing, opened here today, in a bid to promote cultural exchanges and mutual understanding between the literary circles of the two countries.

Feng Zhi, honorary president of China's Nordic Literature Society, gave a brief account of Danish literature in China.

He said that the fairy tales of Danish writer Hans Christian Anderson have been translated into Chinese many times since the early part of this century. The expression of "ugly duckling" has passed into ordinary Chinese speech, he said.

Professor Torben Brostrom, John Christian Jorgensen, Anne Wedell-Wedellsborg and Lise Bostrup from Denmark talked about Danish lyric poetry, prose and fantasy, as well as the trends of existentialism and realism. They also gave an account of the exposure of the Danish people to Chinese literature.

Ru Xin, vice-president of the Chinese Academy of Social Sciences, and leading Chinese writers Ye Junjian and Deng Youmei are attending the three-day symposium.

East Europe

Czech, Slovak Book Exhibition Opens in Beijing

OW0811221490 Beijing XINHUA in English
1603 GMT 8 Nov 90

[Text] Beijing, November 8 (XINHUA)—A two-week-long book exhibition sponsored by the Czech and Slovak Federal Republic opened today at Beijing Library.

The exhibition shows about 500 titles of books, including photos, art album, scientific readings, literary works, textbooks, reading materials for young people and children, translations of foreign works and books about China.

The exhibition is being held in accordance with the 1989-1990 cultural cooperation project between the Chinese and Czech and Slovak Governments.

Book Exhibition From Hungary Opens

OW0811184890 Beijing XINHUA in English
1508 GMT 8 Nov 90

[Text] Beijing, November 8 (XINHUA)—A two-week-long book exhibition from the Republic of Hungary opened today at the Beijing Library.

The exhibition displays about 300 titles of books, ranging from social sciences to folk arts, literature, film, music, art album, children's books, and books about China.

The exhibition is being held in accordance with the 1987-1990 cultural cooperation project between the Chinese and Hungarian Governments. China held a book exhibition in October last year in Budapest.

Chen Changben, China's vice-minister of culture, and some representatives of Hungarian presses attended the opening ceremony.

Latin America & Caribbean

Trade, Loan Accord Signed With Argentina

OW0811032890 Beijing XINHUA in English
0257 GMT 8 Nov 90

[Text] Buenos Aires, November 7 (XINHUA)—Argentina and China signed here today a final accord at the seventh meeting of the Argentina-China Commercial and Economic Cooperation Mixed Committee.

The accord was signed by Argentine vice foreign minister, Hector Subiza, and Chinese vice minister of foreign economic and trade relations, Gu Yongjiang. The document includes an agreement on mixed companies, a loan accord between Argentina's Central Bank and the Bank of China, and a letter of intention on grain trade between the two countries.

Representatives of the two sides also drafted several economic and commercial cooperation projects, which will be signed by the presidents of the two countries during Menem's visit to China on November 14 to 15.

Meeting with Chinese delegation on November 5, the day of the inauguration of the mixed committee meeting, Menem analyzed the current situation and the prospects of bilateral trade and economic cooperation of the two countries.

The Chinese delegation will left here for Uruguay to start a two-day official visit.

Labor Minister Meets Brazilian Officials

OW0911022790 Beijing XINHUA in English
0149 GMT 9 Nov 90

[Text] Brasilia, November 8 (XINHUA)—Brazil's Chamber of Deputies President Paes de Andrade and Senate head Nelson Carneiro this morning held separate meetings with Chinese Labor Minister Ruan Chongwu who is currently visiting Brazil.

During the first meeting, Paes de Andrade praised the good relations between Brazil and China, adding that they improved every day.

He said the Brazilian parliament was set to promote understanding and comprehension between deputies of the two countries and to strengthen the friendship between the two governments and peoples. He also expressed his wish that the exchange of visits between government officials, technicians, parliamentarians and between personalities of the fields of culture, labor and health would expand even more.

During the second meeting with the Chinese minister, the head of the Brazilian Senate recalled that the ties between China and Brazil had been marked by great successes in the last few years, stressing the improvement of relations that followed Chinese President Yang

Shangkun's visit to Brazil in May. The excellent relationship between the two countries helped to expand further cooperation ties in different sectors such as labor and social security, he said.

Carneiro also praised the Chinese Government's family planning policy, adding that Brazil would have to learn from the Chinese to avoid errors in its efforts to balance demographic growth and economic development.

Nicaraguan Envoy Criticizes Ruptured Ties

OW0911023290 Beijing XINHUA in English
0215 GMT 9 Nov 90

[Text] Managua, November 8 (XINHUA)—Alfredo Alariz, the first ambassador sent to China from 1986 to 1989 by Nicaragua's Sandinista government, stated that the decision of his government to establish "diplomatic ties" with Taiwan was "Violeta Chamorro's government second great mistake" following the failure of its monetary policy.

Alariz was quoted today by the daily "BARRICADA" as saying the government's decision was an "opportunistic attitude", adding that "in foreign affairs, (it) has made us lose credibility before serious countries."

He added that in the world, "there are international norms that deserve to be respected, as in the case of the worldwide recognition for the People's Republic of China".

The former ambassador said the decision was "irresponsible in the face of the concert of nations" since "neither the United Nations nor serious Latin American or European countries recognize Taiwan."

Nicaragua's ambassador to China from August 1989 to April 1990, Roger Baldizon, also declared that his government's decision "contradicts the principles of non-intervention included in the country's Constitution and violate the charter."

Political & Social

Jiang, Li Ruihuan Write Festival Inscription

OW0911005490 Shanghai City Service in Mandarin
1000 GMT 8 Nov 90

[Text] Jiang Zemin, general secretary of the CPC Central Committee, and Li Ruihuan, member of the Standing Committee of the Political Bureau of the CPC Central Committee, separately wrote inscriptions for and sent congratulatory messages to the third Shanghai television festival recently. This was announced by Gong Xueping, vice chairman and concurrently secretary general of the Organizing Committee for the festival, at a news briefing held this morning.

Comrade Jiang Zemin's inscription reads: "The Streamer of Friendship and the Bridge of Cooperation."

In his congratulatory message, Comrade Li Ruihuan spoke highly of the function of television. He said: Television is the most influential mass media in the contemporary world and is becoming an important part of people's cultural life. It plays an important role in promoting the dissemination of news, social effects, culture and recreation, the exchange of information and in enhancing understanding and friendship among the people of various countries of the world.

In his congratulatory message, Li Ruihuan urged friends and comrades attending the festival to learn from one another, to enhance friendship, and to improve themselves with a view to promoting peace, friendship, cooperation, and exchange.

He said: I believe that your common efforts will lead to further improvement of the television service.

At the news briefing, Gong Xueping said that preparations for the festival have been completed, adding that the festival will open solemnly at the Shanghai gymnasium on 10 November.

Gong Xueping said: As of yesterday, nearly 1,200 Chinese and foreign guests from more than 350 units in 35 countries and regions had arrived to take in the television festival. The number of participants exceeded those of the two previous festivals.

Song Ping Addresses Township Discussion Meeting

OW0911042590 Beijing XINHUA Domestic Service
in Chinese 1157 GMT 8 Nov 90

[Local Broadcast News Service]

[Text] Beijing, 8 Nov (XINHUA)—Song Ping, Standing Committee member of the Political Bureau of the CPC Central Committee, pointed out that townships and towns are the organizations of political power at the most basic level in our country; that they are the bridge and link for the party and government to maintain contact with the masses; and that the guiding principles, policies, and a good deal of work of the party and state

must be implemented through them. As a result, it is necessary for governments at all levels, and in every area, to attach great importance to the work of grassroots units as well as the work of townships and towns. He said this at a discussion meeting with some comrades attending the "Award-Giving Ceremony for One Hundred Starts of China's Townships and Towns" on 7 November.

The discussion meeting was held in the Great Hall of the People. Ten representatives, from those localities who had the honor of being awarded the title of "China's Best Township and Town," took the floor one after another at the meeting. They were Zhang Duobao, secretary of the Ninghai Town Party Committee in Mouping County, Shandong Province; Zhou Wenhuan, deputy secretary of the Qianzhou Town Party Committee in Wuxi County, Jiangsu Province; Wu Yingqi, head of Guizhou Town in Shunde County, Guangdong Province; Wang Shenglong, secretary of the Maqiao Township Party Committee in Shanghai County, Shanghai Municipality; Li Wenyuan, head of Sijiqing Township in Haidian District, Beijing Municipality; Yang Jianfa, secretary of the Wusan Township Party Committee in Dongling District, Shenyang City; Bao Shuchun, secretary of the Tianmu Town Party Committee in Beijiao District, Tianjin Municipality; Chen He, head of Hongshan Township in the suburb of Fuzhou City, Fujian Province; Bao Songfa, head of Sijiqing Township in Jianggan District of Hangzhou City, Zhejiang Province; and Hu Huaqing, head of Heping Township in Hongshan District of Wuhan City. They briefed the meeting on their experiences in adhering to the party's basic line, working successfully to build the two civilizations, and leading the broad masses of the people to achieve common prosperity since the Third Plenary Session of the 11th CPC Central Committee. They also put forward their views and made suggestions on how to improve the work of townships and towns.

Comrade Song Ping spoke after listening to the briefings. He praised the successful results achieved by those townships and towns, which won the honorable title of "China's Best Township and Town," in the course of implementing the reform and open policy. He pointed out that from the rapid development enjoyed by these townships and towns, people can see the power of the party's lines, guiding principles, and policies adopted since the Third Plenary Session of the 11th CPC Central Committee as well as the prospect and orientation of socialist development in rural areas.

Song Ping pointed out: The level of the amount of grain shared per capita is not high despite the fact that China's agricultural sector reaped a bumper harvest this year. Strenuous efforts must still be made to attain a new level. We must depend on science and technology, increase input, and, in particular, fully mobilize the enthusiasm of the masses of peasants if we want to succeed in promoting agricultural development. At present, it is necessary for us to stabilize and improve various responsibility systems with the system of contracted responsibilities on the household basis. Remuneration linked to

output should play the dominant role, various forms to establish and improve the dual operational system combining centralization and decentralization should be adopted, and a service system in the light of actual conditions and with the wishes of the masses of peasants should be developed. This will integrate the initiative of peasant households in their decentralized management with the favorable conditions offered by collective unified management.

Song Ping said: It is necessary to give priority to the position of village and town enterprises as well as the role they play. Village and town enterprises depend on agriculture and rural areas for their development and must always keep in mind serving the agricultural sector and construction in rural areas. It is necessary for them to spend time and effort to strengthen management; improve operations; readjust the product mix according to market demand; work successfully in technical transformation; and strive to improve product quality, economic returns, and competitiveness.

Song Ping stressed: Common prosperity is a basic principle of socialism. The purpose of allowing some areas and some people to become better off before others is to achieve common prosperity in the end. China's rural areas have enjoyed considerable development compared with the period before the Third Plenary Session of the 11th CPC Central Committee. Generally speaking, however, the areas that have become better off are still few in number. The areas that have become better off before others have the responsibility to offer their experiences to help those that are backward in contrast. Of course, by saying that the rich should help the poor, I do not mean that we can "equate the poor with the rich" or that we are allowed to practice "equalitarianism and indiscriminate transfer of resources." The areas that have become better off before others may develop ties with the backward areas by using their own financial strength to tap the latter's potentialities. The two of them can achieve mutual benefit and common development through such ties in the forms of joint venture, cooperation, assimilation of labor force, offer of services, and so forth.

Minister Lin Inspects Tianjin Garbage Work

SK0611145490 Tianjin City Service in Mandarin
1000 GMT 5 Nov 90

[Summary] "On the morning of 4 November, Lin Weixiong, minister of construction, and his entourage who were accompanied by Li Zhendong, vice mayor of Tianjin Municipality, and the leading comrades from the municipal environmental protection bureau and the Hebei district people's government, visited the garbage disposal plant under the district environmental protection bureau to inspect its work." During his visit, he praised the disposal plant saying the plant had pioneered an orientation for cities across the country for garbage disposal. He stated that he saw many garbage disposal plants and works throughout the country, but they totally do not compare with the municipal plant in the areas of

cleanliness, results, and efficiency. Methods adopted by the municipal garbage disposal plant are in accordance with our country's conditions.

Survey Shows Public Proud of Hosting Asian Games

OW0811154090 Beijing XINHUA in English
1453 GMT 8 Nov 90

[Text] Beijing, November 8 (XINHUA)—A large-scale sample survey has showed that 94.3 percent of the Chinese people regard the 11th Asian Games as a success and 92.2 percent are proud of China's hosting of the games.

The survey was made by media organizations in Beijing in a bid to test the propaganda effects and summarize the experiences in covering the Beijing Asian Games.

The survey shows that 59.1 percent bought Asian lotteries, 32.7 percent made donations to the games and 7.9 percent of Beijing residents took part in social services of various kinds for the games.

It also shows that 90 percent of people got informed of the Asian Games through newspapers, radio and TV programs, with newspapers being the most favorite media.

According to the survey organizers, the survey was only conducted in cities and not in rural areas.

Nationwide Public Security Situation Said 'Grim'

OW0811142090 Beijing Domestic Service
in Mandarin 0800 GMT 8 Nov 90

[Text] Liu Fuzhi, procurator general of the Supreme People's Procuratorate, said in a recent national work conference of chief procurators that the present state of public security nationwide is still relatively grim, and that procuratorial organs must persist in striking hard at serious crimes. Under no circumstances, he added, should they slack in thinking and relax their work in this regard.

Liu Fuzhi said: At present, we should deliver hard blows to habitual offenders, recidivists, and criminal gangs and consolidate and develop the fruitful results we have achieved in eliminating pornography and the six vices. Besides, we should firmly strike at those criminal offenders who make, sell, and smuggle drugs, who produce and sell obscene materials, and who abduct and sell women and children.

Meanwhile, it is learned that this year procuratorial organs promptly approved the arrest of a number of criminals involved in the turmoil and rebellion and indicted them according to law. This work will soon be completed.

CPC Holds Overseas Propaganda Work Conference

*HK0811133190 Hong Kong TANGTAL in Chinese
No 49, 3 Nov 90 p 51*

[Article by He Boshi (0149 0130 2457) from Beijing: "The CPC Holds an Overseas Propaganda Work Conference and Plans To Increase Budget for Overseas Propaganda"]

[Text] The newly established "Overseas Propaganda Department" of the CPC Central Committee held the first "Central Work Conference on Overseas Propaganda" this week to discuss how to strengthen the propaganda work in the overseas areas. The meeting is now under way in Beijing's Jingxi Hotel and was attended by heads of the propaganda departments in various provincial, regional, and municipal party committees. Zhang Junsheng, deputy director of the XINHUA Hong Kong Branch and director of its propaganda department, and Sun Nansheng, deputy director of the propaganda department, also attended the meeting. Responsible people of the Overseas Chinese newspapers in France and in the United States also attended the meeting. The meeting is expected to conclude next Tuesday or Wednesday.

The Poor Image Was Ascribed to Inefficient Propaganda

It is a newly established department in the party Central Committee, and its precursor was the Overseas Propaganda Bureau of the Central Propaganda Department. After the massacre on 4 June last year in Beijing, the CPC authorities were condemned by both Chinese and foreign opinion in overseas areas, and the image of the CPC was ruinously damaged. The CPC, however, did not profoundly examine the causes of its image's "self-destruction" and just erroneously attributed this to the weak and inefficient performances of overseas propaganda. Therefore, after the 4 June incident, they were keen to strengthen overseas propaganda in order to improve the country's image. A major step was to upgrade the overseas propaganda institution from a bureau to a department in the hope the new department would strengthen and concentrate the leadership over the overseas propaganda work. The new department is now headed by Zhu Muzhi, who was previously an adviser to the Central Propaganda Department; but the deputy chiefs of the department have not yet been appointed. It is generally expected Zeng Jianhui, current deputy director of the Central Propaganda Department and deputy director of the XINHUA headquarters, will be appointed deputy director of the new department. According to the official administrative structure, the new department will be staffed by more than 60 officials. So far, only more than 10 officials have been appointed to the new posts in this department, and most of them are from the former Overseas Propaganda Bureau. At the beginning, they still worked inside the office of the Central Propaganda Department. Now, the office of the new department has been relocated to a new building in Sanhuan Road.

After its founding, the Overseas Propaganda Department performed its functions under the leadership of the CPC Central Propaganda Leading Group and ranked at an equal level with the Central Propaganda Department. What are its subordinate institutions at the lower levels? According to the CPC's previous organizational structure, corresponding departments for overseas propaganda would be also set up in all provincial, regional, and municipal party committees; but this was not in line with the principle in the reform of the administrative structure. So, it is still unclear how the overseas propaganda work at the local level will be led in the future. It is believed one of the purposes of the current meeting is to solve these questions.

Increasing Propaganda Appropriations

It is learned the meeting was held to review the overall situation in overseas propaganda work, to formulate principles and policies for overseas propaganda work, to rationalize relations between various institutions concerned, and to strengthen the unified leadership over overseas propaganda work. The first two days of the meeting mainly discussed the organizational structure and the budget. Some newspapers and magazines, such as BEIJING REVIEW, previously managed by the Central Propaganda Department will be transferred to the Overseas Propaganda Department.

The concrete work of the new department will also be discussed at the current meeting. For example, the import of overseas publications (including the journals published in Hong Kong and Macao) was previously examined and approved by the Central Propaganda Department, but after the party's functions were separated from the government's in 1987, this function was shifted to the State Press and Publications Administration. After the 4 June incident, the CPC tightened the control over overseas propaganda, and the work in this aspect was again shifted from the government institution to the party institution and handled by the Central Propaganda Department. Now, with the establishment of the Overseas Propaganda Department, this work will also be transferred to the new department.

To strengthen overseas propaganda, the CPC central leadership also decided to substantially increase the appropriations to this department. Hong Kong's WEN WEI PO was among the first to benefit from this. After the "Li Tzu-sung Incident" last year, WEN WEI PO sent a report to the central leadership, saying that in order to "retrieve WEN WEI PO's reputation," it is hoped the central authorities will give more financial support to renew the equipment. Its eventually achieved what it wished.

It is learned that in the second half of the overseas propaganda meeting, the propaganda tactics in various overseas areas will be discussed.

State Sets Up Anti-Illiteracy Award for Women*OW0811110290 Beijing XINHUA in English
0906 GMT 8 Nov 90*

[Text] Changsha, November 8 (XINHUA)—The All-China Women's Federation and the State Education Commission have presented the country's first "anti-illiteracy awards for women" to 100 women and 30 collectives.

At an awards ceremony on Wednesday, officials from the two departments praised women who had made contributions to China's campaign to eliminate illiteracy among women.

Zhen Buxi, for example, a 67 year-old woman in south China's Fujian Province, has been working hard for anti-illiteracy for more than 30 years. Zhen Xiuping, a 13 year-old girl of north China's Hebei Province has taught a woman how to read and write more than 1,000 commonly used Chinese characters and various kinds of notes.

Seventy percent of the illiterates in China are females, of which 80 percent are rural residents. Eliminating illiteracy in women will require developing the rural economy and prevention of new illiterates, officials said. At present China has combined anti-illiteracy campaigns with culture, science and technology education to boost agriculture.

In central China's Hunan Province, training classes in practical farming techniques have been set up. Among seven million women participants four million have mastered more than one practical techniques.

Article Outlines Structure of Court System*OW0711181990 Beijing BEIJING REVIEW in English
No 45, 5-11 Nov 90 pp 11-16*

[Article by Zhang Min and Shan Changzong, judges of China's Supreme People's Court: "Inside China's Court System"]

[Text] Under the unified administration of the National People's Congress [NPC], the organ of the state power, China's judicial, governmental and procuratorial organs exercise their respective duties in the principle of a division of functions. China's judicial system has two characteristics: First, it is a unified but hierarchical organization within which the local courts at different levels and the special courts are supervised by the supreme court; and second, it is designed for the convenience of public lawsuits. Moreover, various levels of the court system have set up judicial committees to exercise collective leadership over the judicial work. The judicial officers are elected, appointed or dismissed by the organ of the state power. The courts' independent exercise of judicial power is in accordance with the legal principles providing citizens with equality before the law and

ensuring that all judgments should be made on the basis of legal facts. Mediation is another characteristic of China's judicial system.

The people's court of the People's Republic of China is the judicial organization of the state and an important component of the state apparatus.

All power of the People's Republic of China belongs to the people, and the National People's Congress and the local people's congresses at various levels are the organs whereby the people exercise their power. In China, although the power of the state is exercised in a unified way by the people's congress, the principle of functional divisions between state organizations is followed. There is a clear division between administrative, judicial and procuratorate powers which are exercised respectively by the people's government, the people's court and the people's procuratorate. China's state system has, on the one hand, ensured the unification of the state power and, on the other, enabled each department to assume its own responsibilities and fully carry out its own role, thus making the government more responsive to public concerns.

The Court System

The most outstanding feature of China's court system is that it is a unified, hierarchical organization, composed of the Supreme People's Court, the local people's courts at different levels and special people's courts. The Supreme People's Court, the highest judicial organ, is seated in Beijing.

The various local courts are established according to the division of administrative regions and are divided into grass-root courts (established in each county, autonomous county, banner, city without district, and district directly under the jurisdiction of a city), the intermediate courts (established in each prefecture or league under each province or autonomous region, each municipality directly under the central government, each city or autonomous prefecture directly under each province or autonomous region), and the higher courts (established in each province, autonomous region and municipality directly under the central government).

Special courts, established according to law for special departments or special cases, now include military tribunals, maritime courts and railway transportation courts. The military tribunals, established in the Chinese People's Liberation Army, handle cases of violation of military duties and criminal cases involving servicemen. The maritime courts handle cases related to maritime affairs and businesses. As of now, eight maritime courts have been established in the eight coastal and inland river ports of Guangzhou, Shanghai, Qingdao, Tianjin, Dalian, Wuhan, Xiamen and Haikou. Railway transportation courts handle criminal cases which occur along rail lines and aboard trains, as well as cases of economic disputes related to rail transportation.

In China's unified court system, courts at higher levels oversee the administration of justice by those at lower levels. The supreme court, the highest judicial organ, supervises the administration of justice by local courts at different levels and by the special courts and its judgments and rulings are final. Few cases are tried directly by the supreme court. Since the founding of the People's Republic in 1949, it has tried only the cases of Japanese war criminals and those of extremely important national cases such as the Lin Biao and Jiang Qing counter-revolutionary cliques. Its main responsibility is to supervise the administration of justice by the local courts at various levels and by the special courts.

A second salient feature of China's courts is that they are designed for the convenience of public lawsuits. This is mainly manifested in the people's courts, wherein, according to the organizational law of the people's courts, grass-root courts may set up their courts based on the distribution of the population and the incidence of cases in each locality. These courts are empowered to handle civil cases and minor criminal cases, deal with public complaints and guide the work of the people's mediation committee—a mass mediation organization. China currently has more than 17,000 such courts, most of which are located in rural areas. In recent years, some district courts in Beijing, Tianjin and other large cities have also established neighbourhood-based courts. For the convenience of the masses, these courts not only handle cases in their permanent offices but also make a circuit of the localities to try the cases on the spot. The procedure has allowed them to handle large numbers of civil disputes. Today, they handle some 70-80 percent of the civil cases and economic disputes accepted by some grass-root courts.

Judicial Officers

The people's court at each level is composed of the president, vice-presidents, presiding judges, deputy presiding judges and a number of judges. Criminal, civil, economic and administrative divisions and other divisions are set up, where necessary, as part of each people's court.

A special form of China's judicial organization is the judicial committees which are set up by different levels of people's courts. These committees, instead of trying cases directly, first discuss and then make decisions on the most important or difficult cases handled by collegiate benches of judges. The collegiate benches are obliged to carry out the decisions by the judicial committee. The judicial committee, on its part, must seriously consider the opinions of the collegiate bench in order to give the latter's role full play. It is also responsible for reviewing judicial actions and making recommendations on judicial work. The judicial committee exercises collective leadership over the judicial activity within each people's court. Members of the judicial committee are appointed or dismissed by the standing committee of the people's congress at the request of the president of the court. Membership on the judicial

committee is generally delegated to highly qualified professionals in the judiciary system who have rich legal and political experience. Their meetings are presided over by the president of the court and follow the principle of majority rule. The judicial committee system is of great importance in order to continue to improve the administration of justice in the people's courts.

The judicial officers of a people's court include the president, vice-presidents, presiding judges, vice-presiding judges, judges and assistant judges. Judicial officers must be citizens who have reached the age of 23, be eligible to vote and stand for election and must have been a student of law. Citizens who had been deprived of political rights cannot hold the post of judicial officers.

Judicial officers are appointed by the organ of the state power. The president of the Supreme People's Court is elected by the National People's Congress, and the court's vice-presidents, presiding judges, vice-presiding judges and judges are appointed and dismissed by the NPC Standing Committee. The presidents of different levels of local people's courts are elected by local people's congresses, and their vice-presidents, presiding judges, vice-presiding judges and judges are appointed and dismissed by the standing committees of local people's congresses. The term of office of the presidents of courts is the same as that of the people's congress at the same level. The people's congress at each level has the authority to dismiss the president of court it has elected. The judicial officers of the people's courts are elected or appointed and dismissed by the state, and the judicial authority of the courts is granted directly by the state. This procedure is an organizational guarantee of the independent exercise of judicial power by the court.

Assistant judges are appointed and dismissed by the courts at the same level. Assistant judges can act for judges at the suggestion of the president of the court and with the approval of the judicial committee.

The first instance at a people's courts may be handled by judges or by a collegiate bench formed jointly by judges and a people's jury. The people's juries are elected or invited temporarily. Citizens who have reached the age of 23 and are eligible to vote and stand for election may be elected as people's juries. People who were once deprived of political rights are excluded. While assuming the duties at the people's courts, people's juries are component members of the courts in which they participate and enjoy the same rights as judges.

Judicial Principles

The people's courts should abide by the following principles in their judicial actions:

- (1) Only the people's courts execute the state judicial authority and no other organ, group or individual has the right to exercise judicial authority.
- (2) The people's courts, in accordance with the law, exercise judicial authority independently and are not

subject to interference by administrative organs, public organizations or individuals. They are, however, supervised by the organ of the state power, the people's procuratorates (according to legal procedures) and the public.

(3) The people's courts treat citizens equally with the applicable law without regard to nationality, race, sex, occupation, social position, religion, education, financial background or length of residence. Any special privilege is forbidden.

(4) Citizens of all nationalities have the right to use the spoken and written languages of their own nationalities in court proceedings. The courts should provide translation for any party to the court proceedings who is not familiar with the spoken or written language in common use in the locality. In an area where people of a minority nationality live in a compact community or where a number of nationalities live together, the hearing should be conducted in the language or languages in common use in the locality; indictments, judgments, summons and other documents should be written, according to actual needs, in the language or languages in common use in the locality.

(5) The people's courts must try cases based on the facts and according to the law.

Working Systems

The people's courts at various levels use the following systems in their judicial work.

(1) The open trial system. The courts try cases (not including those involving special circumstances as specified by the law) and publicly pronounce the verdicts. Cases which are not subject to an open trial as specified by the law include those involving state secrets, privacy, personal secrets and juvenile delinquency.

(2) The right of a litigant. The accused in a criminal case has the right to defend himself. He has the right to argue his case, based on facts and according to the law, and explain his innocence, mitigation or relief of punishment in order to maintain his legal right and interest. In addition, the accused has the right to invite a lawyer to argue in his favour. The defending lawyer can also be recommended by the people's groups or the unit for whom the accused works or a citizen allowed by the court. Also, the accused can ask one of his close relatives or guardian to defend his case in court. If necessary, the court may appoint a lawyer for the accused. For instance, in a trial with a public prosecutor, if the accused does not select a lawyer, the court can appoint one to speak in his favour and, if the accused is a deaf-mute, under-age or does not have a lawyer, the court should appoint one for him.

(3) The collegiate bench system. All cases, except simple ones involving civil and economic disputes, minor criminal cases and cases as specified by the law which can be tried by one judge, should be tried by a collegiate bench

composed of several judges or of judges and juries. Appeals and in counter-plea against legal decisions should be handled by the collegiate bench (jury). The collegiate bench, in general, has three or seven members, and is presided over by the court president or the presiding judge of the case involved or by a judge appointed by them. All bench members have equal rights and the decisions are made according to the opinion of the majority. The minority viewpoint, however, is recorded.

(4) The second instance or last instance system. Any case should be closed after being tried by the courts of first and second instance. If the litigant disagrees with the judgment or with the ruling made by the local court of first instance, he can appeal to the court at a higher level within a specific time limit. If the procuratorate finds error with the judgment or ruling made by the court of first instance, it can counter-plea to the court at a higher level within a limited time. If the litigant does not appeal and the procuratorate does not counter-plea to the court at a higher level within the legal time limit, the judgment and ruling made by the court of first instance will be effective legally.

The court of second instance, in hearing cases of appeals and counter-pleas, should comprehensively examine the facts which the court of first instance used to maintain its verdict and their legal effects. The examination is not limited by the appeal and the counter-plea. The verdict and ruling made by the court of second instance are the final legal judgment, or judgment of legal binding. But the verdicts of capital punishment and the verdicts made according to reason by analogy should be reported to the Supreme People's Court for examination and approval and become effective legally after they are approved. The verdicts of reprieve from the death penalty for two years will be effective after they are examined and approved by the higher people's courts.

(5) The disqualification system. If the litigant believes that the judge has conflict of interests with him or other relation with his case or other relation with his case and is not able to try the case fairly, he has the right to ask the judge to disqualify himself. If the judge thinks it is necessary for him to disqualify himself, he should act on his own assessment. The president of the court has the final decision on disqualification.

(6) The people's courts, procuratorates and public security organs should, in handling criminal cases, divide their functions, each taking responsibility for its own work, and should coordinate their efforts and check each other in order to ensure correct and effective law enforcement.

The public security organ is responsible for investigation of crime, detention of suspects, formal arrest and pretrial custody. The procuratorate approves arrests, examines prosecutions, investigates some cases, institutes proceedings and appears in court. The people's court is itself in charge of trials.

The people's court, procuratorate and public security organ should, on the premise of division of functions, co-operate and work under the check-and-balance system in order to jointly handle criminal cases.

At the same time they should check each other's handling of criminal cases. On the one hand, the procuratorate supervises the investigation by the public security organ, including the examination and approval of arrests and prosecution. It also oversees the trial and rendering of verdicts by the people's court, including the supervision of court trials and verdicts and counter-pleas to a court at a higher level of erroneous verdicts and rulings. On the other hand, if the public security organ finds an error in a decision by the procuratorate not to arrest or to sue, it can ask for reconsideration. If its suggestion is rejected, it can ask for review by the procuratorate at a higher level. If the court finds the facts are unclear or insufficient to support the procuratorate's prosecution it can return the prosecution back to the procuratorate for a supplement. If the court finds the case not important enough to follow up it can, according to the law, ask the procuratorate to retract its suit or refuse to accept it.

The division of functions, mutual co-ordination and checks between the court, procuratorate and public security organ reflect the principle of division of functions in the judiciary. This system can prevent arbitrary actions and misuse of power and guarantee the correct use of the law and the correct and effective punishment of criminals. The system also protects the citizens' legitimate rights and interests and prevents the innocent people from being punished wrongly.

(7) The mediation system, by incorporating Chinese traditions, is designed to solve civil and economic disputes. Mediation, done by the court, people and administration organ, is also used widely in arbitrations for domestic and international contracts and maritime affairs.

Mediation is applied in court proceedings. Both litigants of a case involving civil and economic disputes reach an agreement with the help of one judge or of the collegiate bench. It can be used in all stages of the proceedings—immediately after the facts are investigated and continued even after the end of arguments. Mediation also can be applied by the court of second instance in handling appeals. The mediation process, however, should be conducted after all facts are investigated and clear and any mediation agreement should be in accord with law and state policies. The litigants must be willing to accept mediation and reach an agreement. After the two parties reach an agreement they should have a document drafted which will be effective upon their receipt. If no agreement is reached or if one of the two parties backs out before he receives the mediation document, the court should make a judgment within a specified time.

The Chinese courts at all levels have made great progress in handling disputes through mediation. Last year, they

mediated 1,788,832 civil and economic disputes along with individually brought criminal complaints, some 71.37 percent of the total cases in these three categories. Practice has proven that the system benefits China's society.

Paper Appraises Socialist, Capitalist Systems

HK0811053890 Taiyuan SHANXI RIBAO in Chinese
12 Oct 90 p 2

[Article by a special study group of a "Comparison Between Two Social Systems:" "The Socialist System Is More Beneficial to Economic Development—More on the Comparison Between Socialism and Capitalism"—written by Yang Qiyu (2799 0120 3768)]

[Text] In the comparison between socialism and capitalism, their comparative economic development is the issue that people discuss most. Some comrades are skeptical about the superiority of the socialist system and this has, for the most part, something to do with this issue. The bourgeois liberalization elements also vilify the socialist system under the main pretext that the economic development of socialist countries is inferior to that of capitalist countries. Here, we made a complete and historical comparison of the economic development of the two social systems to see which is more beneficial to social and economic development.

A Comparison Of Economic Development in New and Old China

Some people frequently make the following hypothesis concerning Chinese historical development: Had the Chinese people not driven imperialism away and overthrown Kuomintang [KMT] domination, and had they been allowed to develop capitalism, China would have been as prosperous as Japan and Taiwan. Does historical development really show this to be so? We shall clarify this after comparing the different economic situations of New and old China. As everyone knows, old China was a poor and backward semi-colonial and semi-feudal agricultural country, 70 percent of its gross social product was agricultural produce, industry only accounted for about 10 percent of its national economy, and was mainly light industry. The largest annual amount of the main industrial products of old China were: Steel 920,000 tons, raw coal 61.88 million tons, and crude oil 320,000 tons. The largest annual amount of agricultural products were: Grain 150 million tons and cotton 850,000 tons. People's food and clothes, and the great majority of manufactured consumer goods were imported. Due to the fact that the KMT reactionary government launched the civil war, by 1949, output of steel was only 158,000 tons, output of coal only 32.4 million tons, output of crude oil only 120,000 tons, annual electricity output only 430,000 kilo-watt hours, gross output of grain only 110 million tons, and gross output of cotton only 445,000 tons. Between April and May 1949, prices rose with each passing day, by several hundred percent. People lived in extreme poverty and

tens of thousands of people starved to death. This is the true portrayal of the economic situation of old China!

What has been the situation over the past 40 years since the founding of New China? Although our economic development has suffered setbacks and many faults have occurred, we still have scored great achievements that are universally acknowledged.

In terms of the scale of economic development, in the period from 1950 to 1988, the total amount of investment in the fixed assets of the units under ownership by the whole people reached 2,153.8 billion yuan, 4,393 large and medium-sized projects were completed and put into operation, and newly increased fixed assets were 1,561.9 billion yuan, which was 65 times the fixed assets of the state-owned enterprises in the initial period of liberation. In 1988, the gross national product of our country amounted to 1,401.5 billion yuan and its national income 1,177 billion yuan, and allowing for price rises, they were 19.8 times and 18 times those in 1949 respectively.

In terms of changes in the economic structure, at present, our country has set up an independent industrial structure which is relatively complete in range, and the structure of the national economy. We have built and developed the automobile industry, tractor, aeronautics, modern metallurgical and mining equipment, electronics, petrochemical, nuclear, and astronautical industry that old China did not have. The proportion of the industrial output value in the gross social output value has increased to 61 percent. This shows that our country began to proceed to industrialization on a weak foundation. It has taken us only a short period of 40 years to complete the course that a capitalist country usually takes 100 to 200 years to complete.

In terms of the speed of economic development, from 1952 to 1988, the gross social output value of our country increased by an average of 8.8 percent a year and its national income by an average of 7.2 percent a year, far greater than the world economic level that was three percent.

In terms of the level of economic development, calculated on the basis of the constant value of renminbi and U.S. dollars in 1980, the per capita gross national product of our country was only \$50 or so in 1952, but rose to \$497 in 1988, an increase of nearly 900 percent.

In terms of the position of the output of the main products in the world, after development in a short period of 40 years, output of steel in our country amounted to 61.24 million tons in 1989, ranked 26th in the world in the initial period of the founding of our country, but ranked fourth in the world in 1989. Output of coal reached 1.04 billion tons in 1989 and rose from ninth to first position in the world. Output of crude oil amounted to 137 million tons in 1988, rising from the 27th to the fifth position in the world. Annual electricity output reached 582 billion kilowatt-hours in 1989, rising from the 25th position to the fourth position in the

world. Output of grain amounted to 407.45 million tons in 1989, recording an increase of 26 times over 1949 and ranking first in the world. Annual output of cotton, cotton cloth, meat, cement, sulphuric acid, chemical fertilizers, soya beans, and chemical fiber rank among the front row of the world. The gross national product of our country has now risen to the eighth position in the world.

In terms of the development of education, science, culture, public health, and physical culture, the number of university, middle and primary schools students throughout the country in 1989 was 17.8, 39.9, and 5.1 times that in 1949 respectively. The grand total of the graduates of universities and professional courses, and postgraduates, in the 40 years after the founding of our country is 30 times the grand total of the graduates in 37 years before the founding of New China. In the wake of the development of medical and public health work, the population-death rate of our country dropped from 25-33 percent to 6.6 percent in 1988, being the lowest death rate in the world. The average life expectancy has risen from 34 years old before liberation to 69 years old, ranking among the first row of developing countries. Old China did not win a single world championship in sports. Sports people of New China have created and broken 385 world records (up to the end of 1988) and won 392 world championships (up to the middle 10 days of September 1989). The age of the "sick man of East Asia" that the Chinese nation was insultingly called, has gone and never returned.

On the foundation of economic development, the per capita consumption level of the residents of the whole country increased from 76 yuan renminbi in 1952 to 639 yuan renminbi in 1988 and allowing for price rises, increased by 370 percent. Having solved their problems of food and clothing, the great majority of the people are heading for a relatively comfortable standard of living. Facts fully show that only socialism can save China and only socialism can develop China.

Comparison Between Economic Situations of New China and Developing Capitalist Countries

While comparing two social systems, some people often compare China with the developed capitalist countries, but forget a basic fact: Of some 100 countries in the world which are now pursuing the capitalist system, only a tiny number are developed countries and the great majority are still developing countries. To make an all-around comparison between the two social systems, we must make a comparison not only with the developed capitalist countries but also with the majority of developing capitalist countries.

The developing capitalist countries were mostly colonies and semi-colonies of old-line imperialism in the past. The majority of these countries are industrially underdeveloped and agriculturally backward, have a one-sided and unitary pattern of production, and their economic development is very uneven. They are, for the most part,

still in a poor and backward state. According to UN statistics, at present, one-fourth of the population of the developing countries is in a state of starvation, one-third of the population is seriously malnourished, 40 percent of the population cannot satisfy their basic livelihood needs, and 20 to 25 million children are on the brink of death. Facts show that not much prosperity and happiness has been brought to the peoples of these developing countries by taking the capitalist road.

After the Second World War, the economic growth of some developing countries was faster than before the war but compared with the countries that have established the socialist system, they still lag behind. In light of data provided by the World Bank, the annual average growth rate of the gross national product of the developing countries from 1955 to 1980 was 5.3-5.4 percent whereas that of our country from 1953 to 1978 6.1 percent. Since the advent of the 1980's, under the influence of the economic crisis of the capitalist world, the economy of the developing countries has deteriorated. Their economic growth rate dropped by a wide margin for years running from 1980 to 1982, negative growth appeared in 1983, and their economic growth rate was slightly higher than three percent from 1984 to 1987. This fully shows the fragility of the economy of the developing capitalist countries and their dependence on the developed countries. When a capitalist economic crisis breaks out, these developing countries are always the biggest victims. As the economy of our country is built on the foundation of independence, initiative, and self-reliance, our country has an independent and complete industrial structure and a national economic structure, and is little affected by world economic fluctuations. The annual average growth rate of the gross national product of our country amounted to 9.6 percent from 1979 to 1988, far greater than the annual average growth rate of the great majority of the countries in the world, which was two to four percent.

In comparison with the developing capitalist countries, there is certain comparability between a small number of powers (like Brazil, Mexico, Argentina, Chile, India, and Egypt) and our country. These countries have a vast territory, relatively large population, and abundant resources; were deeply exploited and oppressed by imperialism in the past; have taken the capitalist road after independence; and have many similarities to our country, but the speed of their economic development is still lower than that ours. According to the statistics of the World Bank, the average growth rate of the per capita gross national product from 1960 to 1981 of Brazil was 5.1 percent, of Mexico 3.8 percent, of Egypt 3.5 percent, of Argentina 1.9 percent, of India 1.4 percent, of Chile 0.7 percent, and of our country 5.0 percent. As is well-known, prior to the 1970's, there was a period when the economic development of the developing countries was fast, while in the 1960's and 1970's, our country suffered two big setbacks—"the Great Leap Forward" and "Great Cultural Revolution"—and economic development was at a low tide. Despite this, the speed of the

economic development of our country in this period was still higher than that of the other developing powers, except Brazil.

Some comrades have followed the economic development of the "four little dragons" of Asia with great interest and used this to explain that the capitalist system can promote economic development more than the socialist system can. Regarding this matter, we also need to conduct scientific analysis. So far as the speed of economic development is concerned, in the light of the statistics of the World Bank, the economic growth rate of the "four little dragons" of Asia from 1960 to 1980 amounted to from 8.6 percent to 10 percent, far greater than that of the developing countries in the same period, and was called an "economic miracle" of the capitalist world by Western scholars. However, except in the period from 1960 to 1970 when its economic growth rate was 5.2 percent and in the period from 1970 to 1980 when its economic growth rate was 5.8 percent, the economic growth rate of our country exceeded 10 percent under normal circumstances in the three years of the rehabilitation period after the founding of our country, in the period of the "First Five-Year Plan," and in the period after the Third Plenary Session of the 11th CPC Central Committee, totaling approximately 20 years; and was not lower than that of the "four little dragons" of Asia in the corresponding period. Furthermore, we must also see that it is unscientific to simply compare the situation of China with that of the "four little dragons" of Asia because many incomparable factors exist between both of them. In terms of natural conditions, the "four little dragons" are either islands or peninsulas, have comparatively long coastlines and good harbors, and their sea transport has developed; but our country still has vast, relatively economically backward interior and western regions, except for the economically developed coastal regions. The "four little dragons" possess an excellent economically developed foundation. For example, Japanese imperialists dominated Taiwan and South Korea for several decades, out of their needs, they built comparatively complete railroads, roads, and modern ports, and developed some industrial departments there. While fleeing to Taiwan, the KMT took one third of the gross assets of the large enterprises of the whole country, namely \$2 billion, 3.9 million ounces of gold, and a large quantity of silver. New China, however, made a start on the foundation of "poverty and blankness." In particular, we must also view the special relations between the "four little dragons" and Western countries, especially with the United States.

Since the war, to achieve its wild ambition of dominating the world, the United States has pursued the policy of encircling the socialist countries, especially China, vigorously supported South Korea and Taiwan, and poured in a large quantity of aid. For instance, Taiwan had accepted Western economic aid and loans, totaling \$24.5 billion, by the end of 1982. According to analysis conducted by some scholars abroad, these special conditions enabled Taiwan's economic development to be 30 years

faster than the normal conditions would allow; whereas, after its founding and in the face of the imperialist blockade, New China relied completely on its own efforts, built up from nothing, and accepted very little foreign aid. Moreover, to support the developing countries and safeguard world peace, it provided others with a large amount of nonreimbursable assistance, of which assistance to Vietnam in resisting U.S. aggression was 20 billion yuan alone. The "four little dragons" have engaged in the export and processing industry; relied on the capital, technology, and markets of countries, including the United States and Japan, to develop their economy; and are among a tiny number of countries that have benefited from the readjustment of the industry mix of the developed capitalist countries after the war. Our country possesses, however, a comparatively complete and independent structure of the national economy, and has mainly relied on its own accumulations and domestic markets to achieve economic growth. Some of the "four little dragons" basically do not have to defray military expenditure, and some of them have relied on the Western countries headed by the United States for protection and an enormous amount of military expenditure and "military assistance"; while our country still needs to spend a fairly large amount of its national income on national defense and army building in order to guard against aggression and to safeguard its sovereignty, independence, and territorial integrity. All this cannot be mentioned in the same breath. Furthermore, although the economic development of the "four little dragons" of Asia is faster, their reliance on the "export and processing industry" type of economy on foreign countries is high, they are affected by the economic fluctuations of the capitalist world very greatly, and their economy is extremely weak. In socialist modernization construction, our country can draw lessons from some of their experiences and does engage in some export processing economy in some areas, but its national economy as a whole cannot take the development road of the "four little dragons" of Asia.

Comparison Between the Economic Development of Our Country and That of the Developed Capitalist Countries

Of the comparisons between two social systems, the comparison between our country and the developed capitalist countries is an unavoidable issue. In the light of the situation of a tiny number of developed capitalist countries, some people maintain that socialism is inferior to capitalism. The elements of bourgeois liberalization disseminate the defeatist doctrine also under the pretext that our country has lagged behind the developed capitalist countries. How should we then understand the difference between the level of the economic development of our country and that of the Western developed countries?

First, it is necessary to understand the degree of difference between the level of the economic development of our country and that of the developed capitalist countries.

In the past, some international organizations ranked all countries by the per capital gross national product and put our country after over 100 others. Some people at home cried out in alarm: "China will be expelled from the globe!" Nevertheless, this is not a fact. It is very complicated to compare the economic levels of all countries on the basis of the per capita gross national product. It converts the gross national product and per capita gross national product in terms of the currency of all countries into U.S. dollars and then makes a comparison. The conclusion drawn from this does not completely tally with the actual situation. This is because the exchange rate between renminbi and U.S. dollars frequently changes under the influence of many factors and the exchange rate cannot truly reflect the purchasing power of the domestic market. For example, calculated on the basis of the exchange rate of the World Bank, the per capita gross national product of our country from 1983 to 1986 stagnated at about \$300 and in other words, it did not increase but calculated in terms of comparable prices, the per capita gross national product of our country has, in fact, increased by an average of 10.5 percent. In addition, a fairly large part of the products and labor service of the national economy of our country does not participate in international exchanges and the prices are very low, compared with the international price level. The proportion of the tertiary industry in the economic structure of our country is very small and many activities of labor service have the nature of concealment and no output value is calculated. Our country has universally implemented the system of welfare security in the aspects of medical treatment, education, and housing, and the prices of its products and labor service are also obviously low. These various factors often make the gross national product and per capita gross national product in terms of its currency lower than the actual level. In the past few years, another method of calculation, namely the "international method of comparison of items," has emerged internationally. Its characteristics are that the parity of the purchasing power is regarded as a conversion factor to calculate the actual gross national product of all countries. On the basis of this method, calculated according to the method of the exchange rate, the per capita gross national product of our country is 1.3- 2.1 times. If the gross national product was calculated with this conversion coefficient, the per capita gross national product of our country was absolutely not \$300 in 1988.

What should also be mentioned is that the method of the appraisal of the comprehensive social indicators has been internationally adopted since the 1970's to compare the levels of the economic and social development of all countries. For example, sociology Professor Estes of the University of Pennsylvania of the United States used 36 social indicators to conduct the quantitative appraisal of 124 countries and regions of the whole world and gave 74.4 marks to the social progress index of our country in 1983 that ranked 77th in the world. In 1989, the special "social indicator" study group of the Institute of Sociology of the Academy of Social Sciences of China

applied 16 social indicators to compare the 1987 level of social development of all countries of the world and our country ranked 70th. This result corresponded to the result of the appraisal made by experts abroad. In a word, the above-mentioned issues are put forth not because we want to negate the difference between our country and the Western developed countries but because we want to point out that it is essential to objectively understand such difference.

Second, it is essential to correctly analyze the reasons for the difference between the levels of economic development under the two systems.

As everyone knows, capitalism emerged in Europe as early as the 16th century. As from the 18th century, Western capitalist countries completed the Industrial Revolution one after another, and began achieving industrialization and modernization. When China was taking the socialist road, those countries had been developed for 200 to 300 years, and had become industrial countries while our country was still a very backward agricultural one. In 1949, the population of cities and towns accounted for only 10.6 percent of the population of 480 million of the whole country. However, 100 years before this time, the proportion of the urban population of Britain and France was much greater than this figure. The proportions of the urban population of Britain and France in the total population of their own countries in 1951 were 52 percent and 25 percent respectively, of the United States in 1850, 13 percent, and of Germany in 1871, 36 percent. The industrial output value of our country in 1949 only made up 30 percent of the gross industrial and agricultural output value, of Britain in 1831, 60 percent, and of France in 1844, 55 percent. This alone shows that the level of economic development of China before liberation lagged behind Western capitalist countries by at least 200 to 300 years. Such a wide gap cannot be made up to the same level in a short period of 40 years. Therefore, the gap between China and the developed capitalist countries was formed long ago and is absolutely not caused by the socialist system.

We must also see that under the two different social systems, the ways of economic development are also basically different. Capitalist economic development has a bloody history of plunder, massacre, and conquest, recorded with the "words of blood and fire." From the 16th to 19th century, as the bourgeois colonialists trafficked in slaves in Africa, Africa was made to lose a population of about 100 million. From 1757 to 1947, when Britain dominated India, it took wealth of about 13.17 billion pounds sterling by force ... It was the blood and sweat of the people of the colonies that irrigated the capitalism of Europe. Furthermore, in the China of modern times, as a result of the invasion by the Eight-Power Allied Forces alone, the indemnity plus interests paid by China exceeded 1 billion taels of silver, that was equal to the grand total of the treasury of the Qing Dynasty for 12 years. The imperialist powers amassed tremendous wealth from China to fatten themselves, and old China was made weaker and poorer. The national

liberation movement after the Second World War led to the collapse of the old colonial structure of imperialism but the nature of imperialism has not changed. They have depended on their actual economic strength and technological superiority to continuously exploit and plunder developing countries through these means, including exporting capital and unequal trade, resulting in the developing countries shouldering heavy debts. The total amount of the debts of the developing countries reached \$1,320 billion by 1988 and the debts repaid by the developing countries amounted to \$142.4 billion in that year. The large debts have seriously affected the economic development of the developing countries. One may well say that the economic prosperity of the contemporary Western developed capitalist countries has been built on the foundation of exploiting and plundering the colonial countries by developing countries in the past and at present, and at the price of polarization between the poor and the rich within the world. The backwardness and poverty of the socialist countries, including China, in history, and imperialist invasion and plunder are inseparable. Contrary to the way of the development of capitalism, New China has not relied on the plunder of others but completely on the results of the hard work of its own people to score achievements in its economic construction. It is not a practical nor realistic attitude to ignore the Western capitalist countries' development history of "blood and fire" and to blindly worship their economic development.

Third, it is imperative to completely investigate the tendency and vistas of the economic development of the two kinds of societies. Over the past 40 years since the founding of New China, although various faults have occurred in economic construction, the speed of economic development has still been, on the whole, fast. The proportion of the industrial output value in the gross industrial and agricultural output value of our country has now exceeded 75 percent. By the general standard, the task of industrialization has been initially completed. Britain took 100 years, the United States took nearly 80 years, and Japan took 50 to 60 years to complete the same task. In the period from 1949 to 1988, the average annual industrial production growth rate of the United States was four percent, of the Federal Republic of Germany 5.8 percent, of France five percent, of Britain 2.3 percent, of Japan 11.5 percent, and of our country 13.4 percent, that exceeded the speed of development of all major developed capitalist countries.

It is because our economic growth is faster than that of the developed capitalist countries that the big gap formed in the past has been narrowed in a short period of several decades and our economic growth has surpassed that of the developed countries, including the United States, in some aspects. For example, grain output of the United States was 15 percent higher than that of China in 1950, but grain output of China was four percent higher than that of the United States in 1986. Cotton output of the United States was 214 percent higher than China in 1950, but cotton output of China was 66

percent higher than that of the United States in 1986. Steel output of the United States was 143 times that of China in 1950 but was only 58 percent higher than that of China in 1987. Output of chemical fertilizers of the United States was 264 times that of China in 1950 but was only 37 percent higher than that of China in 1985. Output of cement of the United States was 26 times that of China in 1950, but that of China was 1.7 times that of the United States in 1987. The fact that such a gap has been continuously narrowed illustrates a tendency and vistas that brook no doubt. It will certainly not take us very long to catch up with and surpass the developed capitalist countries. A rich, powerful, democratic, civilized, and modernized socialist country will surely emerge in the world.

Science & Technology

Scientific Consulting Service in Full Swing

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0747 GMT 8 Nov 90

[Text] Beijing, November 8 (XINHUA)—The China Association for Science and Technology (CAST) has provided consultations for nearly 10,000 projects concerning government policy at various levels over the past decade.

According to an official from the China Science and Technology Consulting Service Center, an organization under CAST, the consulting service went into operation in 1980.

At that time CAST succeeded in organizing a group of leading scientists and experts to study and give advice on the overall development of natural resources in the western part of east China's Anhui Province.

From the beginning the CAST consulting service participated in state development planning and feasibility studies for key construction projects, and is now playing an increasingly important role in various economic activities, said Zhai Xiaobin, assistant director of the consulting service center.

In 1983, a group of scientists, led by the late leading mathematician Hua Luogeng, inspected the Jungar coal mine in northwest China's Inner Mongolia Autonomous Region, one of the country's energy bases. The group drafted a development plan for the area's coal, electricity and transportation, which has now been adopted by the state.

During the construction of the Baoshan Iron and Steel Complex in Shanghai, CAST organized a group of scientists, led by leading civil engineer Li Guohao, to investigate some key problems including piling and diversion work. The plan drafted by the scientists eventually saved the state over 100 million yuan.

While consulting with various governmental organizations on policy, Zhai said, CAST has also provided many

forms of consulting services to enterprises across the nation. According to available statistics, CAST has provided consultations for nearly 200,000 projects undertaken by enterprises over the past decade.

The consulting service has entered into the fields of industry, agriculture, the business and service sectors, and has investigated all types of problems in many areas including the environment, economy, law and international cooperation, Zhai said.

The service has also helped to promote the popularization of science and technology. Meanwhile, a nationwide consultation and information network has been shaped with the help of science associations at all levels, Zhai added.

Committee for Soft Science Research Established

OW0211194390 Beijing XINHUA in English
1528 GMT 2 Nov 90

[Text] Beijing, Nov 2 (XINHUA)—The State Guidance Committee for Soft Science Research was established here on Thursday by the State Science and Technology Commission.

Thirty-four noted experts in the soft sciences and in science and technology management were invited to become members of the committee.

The functions of the committee include advising the government on strategy formulation, and on programs and policies for the development of the soft sciences. In addition, the committee will provide a scientific basis for the State Science and Technology Commission to design guidelines for soft science projects, programs for soft science research, and programs for popularizing the application of research results from the soft sciences.

The committee will also participate in the work on establishing nationally important research projects, conducting feasibility research of projects, and the examination and acceptance of research results. It will provide various services for research of important inter-ministerial, inter-regional, multi-subject and multi-level projects relating to the soft sciences.

RENMIN RIBAO on Research Institutes Role

OW3010091090 Beijing XINHUA in English
0813 GMT 30 Oct 90

[Text] Beijing, October 30 (XINHUA)—The scientific institutes and academies in China are playing an important role in the development of high and new technologies, and export-oriented products, according to a survey done by some Chinese experts and scholars.

China now has about 1,300 research institutes and academies, more than 1,000 of which are under the administration of ministries and commissions under the

State Council and another 250 are run by various localities, according to today's OVERSEAS EDITION of the "PEOPLE'S DAILY".

According to statistics, in recent years, these institutes and academies have scored more than 10,000 new achievements in scientific research each year.

They have taken part in the state's various economic, technological development programs, including a program for tackling major research projects.

Among the nearly 800 hi-tech enterprises approved by the Beijing new and high technologies experimental zone, 70 percent are run by scientific research institutes and academies.

Some of the high and new technological products made by the institutes and academies have been exported to other countries.

At the same time, their research achievements have brought great benefits to themselves. Last year they earned more than 3.5 billion yuan (about 700 million U.S. dollars).

Planning Commission Computer Network Operational

HK0511023690 Beijing CHINA DAILY in English
5 Nov 90 p 2

[By staff reporter Chang Weimin]

[Text] A computer network for the State Planning Commission (SPC), the pace-setter for China's economic and social operation and development, has been approved after a year's trial operation.

The network, largest in the country, is linked with the State Information Centre, the country's largest data bank.

The network is at the world's 1980s level and shows that the SPC is pioneering office automation in the country, experts who conducted a final appraisal over the weekend concluded.

The development, called the State Planning System Office Automation Project, was started in 1987. Established so far is the first phase of the project.

The network, which uses domestically-produced Great Wall computers, consists of some 2,000 metres of cable and 70 workstations and uses 30 kinds of software. It has "greatly" promoted State planning work, the experts said.

In February this year, experts from the United Nations Development Programme (UNDP), which aided the project, inspected the network and delivered a report to the UNDP.

Subsystem

"With the State Planning Commission subsystem, the efficiency and quality of the office work have been improved, a situation appreciated by all users. All the senior officials in the SPC are directly connected to the network," the report concluded.

The State Planning Commission is the most important government body that is dealing with large-scale information and making decisions on the country's macro-economic management.

Everyday, tens of thousands of messages are gathered, processed and delivered outside. And most of the information includes State secrets.

All this made the project difficult, experts said, adding that the success in the development will offer "precious" experience for office automation in the country.

Some 30 kinds of software have been developed for the network and another dozen are being developed now, Fang Xiaoren, deputy division chief of the SPC's information department, who has taken charge of the project, told CHINA DAILY.

So far, all the offices in the SPC's 26 key bureaux which are involved in State planning work have been covered by the network.

Li Jun, a senior engineer who has also taken charge of the project, said the network will be expanded non-stop to cover all planning bureaux in the country's 30 provinces and 14 large municipalities within two years.

Subsystems at the State planning bureaux and information centres in 32 provinces and large municipalities are under development now, Fang said.

Geochemical Prospecting Uncovers New Mineral Ores

OW0711233790 Beijing XINHUA in English
1506 GMT 7 Nov 90

[Text] Wuhan, November 7 (XINHUA)—A total of 300 types of mineral ores have been found in China in the past 40 years.

This was released at a national academic conference on geochemical prospecting which closed at the Geology University of China yesterday.

Geochemical prospecting is a kind of frontier science which uses geochemical theories to direct prospecting of mineral ores and environmental appraisal.

China first began geochemical prospecting in the 1930s.

At present, a total of 30,000 professional workers from the State Geology and Mineral Resources Ministry, Metallurgical Industry Ministry, Energy Resources Ministry and Non-Ferrous Metals Industry are now engaged in geochemical prospecting all over the country.

In the past ten years geological workers have carried out a series of geochemical investigations in an area of 5.3 million sq km throughout the country, and provided rich geological information for prospecting for mineral ores.

Military

Air Force Improves Supply Capability

HK0811142690 Beijing ZHONGGUO XINWEN SHE in Chinese 0858 GMT 6 Nov 90

[Report: "The Chinese Air Force Has Formed a Serialized Protection Capacity"—ZHONGGUO XINWEN SHE headline]

[Text] Beijing, 6 Nov (ZHONGGUO XINWEN SHE)—Our reporter learned from Air Force headquarters that supply services in various Chinese Air Force units are gradually shifting from manual operation to automated or semi-automated, thus forming a serialized, regularized, and scientific protection system.

There are many categories of Chinese Air Force supply services, including combat supply, aviation engineering supply, and logistics supply. These categories are relatively independent of each other but are, at the same time, indispensable to each other.

The Chinese Air Force has built several hundred completely-equipped airfields and a number of cave armories, command posts, and rear-echelon warehouses. A number of airfields have been built using new technologies and new materials of high solidity and good flexibility to resist cold, heat, and abrasion. The soundness of flight protection services for aircraft is now over 99 percent.

The Chinese Air Force uses high-powered single short wave stations equipped with landing guidance radar to control aircraft, thus improving the protection capacity for aircraft landing under unfavorable weather conditions.

An automatic exchange system for weather information and automatic copying of weather situation charts have started operating in Chinese Air Force units. A meteorological monitoring network comprising reception stations for meteorological satellite signals and radar stations for forecasting wind and rain has taken shape throughout the country.

Advanced technology has been introduced to the Chinese Air Force for use in logistics supply. Aviation oil supply now proceeds with a land pipeline refueling system, which allows the use of large-pipe bowlers, airborne refueling, and field refueling, thereby ending the use of pedal carts [jiao ta che 5183 6431 6508] and small bowlers and effectively improving the Air Force's quick response and mobile combat ability.

Air Force Exercises Under Hostile Conditions

HK0811140890 Beijing JIEFANGJUN BAO in Chinese 30 Oct 90 p 1

[Report by Li Zhichen (2621 1807 5256) and correspondent Hong Heping (3163 0735 1627): "The Air Force Conducts Air Defense Research Exercises Under Nuclear and Chemical Conditions"]

[Text] On 7 October, at an airport in northeast China, a loud alarm broke the silence and a huge mushroom cloud rose to the sky. Suddenly, a line of "blue army" aircraft flew past, a pile of bombs were dropped, and everywhere was covered in smoke. The "red army" airmen tried hard to intercept them and soon engaged the "blue army" in dogfights. The first air defense research exercise under nuclear and chemical conditions by the air force, featuring a high resemblance to a real war, was really extraordinary.

Will a nuclear or chemical war break out in the world? The persons concerned thought that so long as nuclear and chemical weapons exist on earth, we cannot completely exclude the possibility of an outbreak of nuclear or chemical war.

Furthermore, according to statistics provided by the department concerned, in 22 partial wars recently fought in the world, six saw the use of chemical weapons.

"No illusion!" Many military theory experts warned the people.

Colonel Wei Guangxiu, who organized this modernized air defense exercise under the mushroom cloud, told reporters that before the exercise, they had a theory study class and the experts from Air Force Headquarters and the military academy concerned had come to lecture the participants about the theory on combat under nuclear and chemical conditions, to upgrade their consciousness about nuclear and chemical warfare and the exercise. The 26 academic articles read by the experts, such as "On Several Problems of Regular Air Combat Under Nuclear Threat," analyzed air defense combat under nuclear and chemical conditions from different angles and viewpoints, providing theoretical guidance for the exercise.

The exercise was really fierce and magnificent. After the "nuclear explosion," the airport was covered in smoke and flames. In the sky, hovering helicopters measured radioactivity and fighter planes flew through the thick smoke to intercept the "enemy planes." On the ground, chemical reconnaissance vehicles conducted reconnaissance on fixed positions and signs, fire engines tried to extinguish the fires with their water cannon, ambulances rescued the injured, and snow-blowing vehicles quickly blew away radioactive dust.

The reporters could also observe the situation on a map in the chief's department. The fast changing modern air combat under nuclear and chemical conditions, was

projected on a big screen by using the most advanced technology, giving people a feel of the atmosphere of a real war.

A responsible person from the General Staff Headquarters department concerned evaluated the exercise: It properly integrated fighting with defense, tactics with technology, and learning from foreign armies with learning from our Army's practical situation.

The responsible person was satisfied with the use of a lot of research results from our country's nuclear testing during the exercise. He thought that this measure enabled tactics research under nuclear and chemical conditions to have a firm technological foundation and a scientific basis.

At the same time, the responsible person thought this exercise had explored its own road. He said: Although we have borrowed the experiences in combat under nuclear and chemical conditions from foreign armies, what is more important is that we have put forward a principle which is in accordance with the practical needs of combat and defense undertaken by the Chinese Air Force.

Paratroops Carry Out Practice Drop on Island

HK0811060790 Hong Kong WEN WEI PO in Chinese
6 Nov 90 p 1

["Special feature" by Zhang Jinyu (1728 6855 3768): "Troops From Heaven Drop in Nan Hai—China's Paratroops Carry Out Their First Practice Drops in Nan Hai"—originally carried by JIEFANGJUN BAO on 5 November]

[Text] Beijing, 5 Nov—It was 1400 on 20 October, a solemn moment, and a certain island in the South China Sea became an extraordinary place. After accomplishing parachute exercises in complicated landscapes such as plateaus, frigid zones, deserts, and woodlands, China's paratroops would practice dropping onto an island for the first time.

According to our information, on this day, wind velocity was 12 meters per second over the sea, and eight meters per second over land, and waves were as high as two meters. For paratroops, weather conditions were difficult.

There was dead silence on the island. Suddenly, two low-flying fighter planes roared overhead and bombed the "enemy" position. At once, the whole island was covered by a layer of smoke, and explosions could be heard here and there. At 1420, before people could turn their eyes from the "enemy" beach, a green "eagle" appeared quietly. It was followed by other aircraft, and in a few seconds they were all visible in the sky above the sea. People held their breaths, and watched intently. As the aircraft flew over the jump point, several hundred officers and men jumped out of the aircraft. Suddenly, parachutes, blue sky, and sea became an integrated

whole, and the parachutes resembled flowers dropped by a goddess from heaven. An experienced person nearby, however, reminded me that at this moment, if the paratroops in the sky made one minor mistake, they would fall into the sea, and thus the drop onto the island would fail. In the sky, the "troops from heaven," who wore red life jackets, descended quickly, and their flame-throwers, rifles, bazookas, and daggers could be seen more clearly. According to our information, each paratrooper carried more than 40 kg of equipment. Two of the "generals from heaven," looking down through their binoculars, were particularly eye-catching. They were Brigadier Wang Weishan and Chief of Staff Li Jun, the "souls" of this "army from heaven."

At 1423, the first paratrooper landed, and shortly after, another group landed safely. In a short moment, the one-km-long beach looked as if it was blanketed by snow.

"Excellent, they all landed safely!" As people cheered, these "soldiers from heaven," who had flown a long distance over several provinces and regions, started another new combat exercise. The three soldiers who had twisted their ankles on landing also courageously followed the unit to charge the "enemy" beachheads. People were worried. Ahead of them was a four-km journey through marshland and woodland, in addition to those five beachheads 280 meters above sea level. Could they hold on? When the "combat" ceased, Wen Yongsheng, a squad leader who was assisted by others to leave his position, said: "The eight of us belong to 'Wang Jiguang Company,' and by chance today is the date Wang Jiguang sacrificed himself for the country. We just cannot lose face for the hero!"

I heard shots, bombardments, and explosions; the sea was roaring too. In about half an hour, the paratroops had captured all the beachheads of the "enemy," and three red signal flares ended the exercise. With their outstanding performance, our paratroops had accomplished their mission of dropping onto an island.

This elite force has now completed all the combat, survival, and jumping exercises on various complicated landscapes in our country.

Economic & Agricultural

Officials Discuss Plans for Restructuring Economy

HK0811131690 Hong Kong HSIN WAN PAO
in Chinese 8 Nov 90 p 4

["Special Dispatch": "Chinese Structural Reform Officials Hold Meeting To Draft Economic Restructuring Plans for Next Five and 10 Years"]

[Text] Beijing, 8 Nov (HSIN WAN PAO)—More than 40 senior officials of the State Commission for Restructuring the Economy have gathered in Beijing and, starting today, they will discuss plans for restructuring the economy during the next five to ten years.

According to our information, this will be the last work meeting of the State Commission for Restructuring the Economy top officials before the convening of the Seventh Plenary Session of the 13th CPC Central Committee, which will be held this year. The chairmen of commissions for restructuring the economy from 30 provinces, autonomous regions, municipalities, and separately listed cities, as well as officials at or above department level from the State Commission for Restructuring the Economy, will concentrate their efforts on discussing and drafting plans for economic restructuring during the "Eighth Five-Year Plan (1991-1995)" and on a tentative plan for the next 10 years. This will provide a concrete plan for work in restructuring the economy to be discussed at the plenum.

Observers here noted that, for a long time now, China's work in economic restructuring has been basically in a state of stagnation. On 7 September, after Premier Li Peng left the post of chairman of the State Commission for Restructuring the Economy, people have made many guesses concerning the future of reform.

Chen Jinhua, the new chairman of the State Commission for Restructuring the Economy, has been frequently in the limelight, revealing three important pieces of information. First, work in economic restructuring will not stop but will be carried out "in a better way, faster, and more effectively" as demanded by Deng Xiaoping, the chief architect. Second, the direction for reform has already been fixed and work can only be carried out in accordance with the principle of "building an economic operational mechanism for integrating planned economy with market regulation and control suited to a socialist planned commodity economy." Third, the State Commission for Restructuring the Economy is currently conducting discussions with the departments concerned, researching and investigating together with the responsible persons from various localities, carrying out experiments on major reform projects and, at the same time, organizing experts and scholars for theoretical exploration.

Article Outlines Correct Economic Growth Speed

HK0811102090 Beijing JINGJI GUANGLI in Chinese
No 9, 5 Sep 90 pp 4-8

[Article by Wang Haibo (3076 3189 3134): "On Appropriate Economic Growth Speed"; edited by responsible editor Lin Daojun (2651 6670 0689)]

[Text] China's practical experience in socialist construction has proved that to realize a steady, continuous, and coordinated development in the national economy, we must achieve a balance in the aggregate economic volume, and in the economic structure. In order to maintain a balance in the aggregate economic volume, however, we must determine an appropriate economic growth speed, which is the most important point. Of course, to balance the aggregate economic volume, it is also necessary for us to achieve a balance in the demand and supply of goods, financial revenue and expenditures,

credit and loans, and foreign exchange receipts and payments. In particular, we must do well in issuing currency according to the demands of socialist commodity economic development. Nevertheless, all of the above are subject to the restrictions of economic growth speed. Therefore, the key to achieving a balance in the aggregate economic volume is to determine an appropriate economic growth speed.

I. Proposal on Appropriate Economic Growth Speed

The concept of pursuing an appropriate economic growth speed is a conclusion based on China's past experience in socialist construction, as well as a result of understanding among people. For a long time before 1979, we erroneously followed the leftist thinking, and were impatient for success in socialist economic construction. A prominent manifestation was that we blindly and one-sidedly pursued a high economic growth speed, and took this as the prime task; so that we ignored the work to improve economic results, to pursue a coordinated economic development, and to improve the people's livelihood. Such an economic development strategy seriously jeopardized China's socialist modernization. Following the Third Plenary Session of the 11th CPC Central Committee, people summed up their experience in this respect. They criticized the erroneous "leftist" thinking, and summarized their old practice of economic development as one marked by high speed, poor economic results, and low consumption level. No matter whether we proceed from the spearhead of their criticism, or from the process of their development, this conclusion was undoubtedly correct. This conclusion, however, did not assess the influence of having an excessively low speed of economic growth, so that it did not put forward the question of achieving an appropriate economic growth speed.

People soon found that having an excessively high speed of economic growth would of course upset the balance of the economy, and would undermine economic results. In addition, economic results would be undermined when the speed of economic growth was excessively low. These kinds of situations emerged one after another in certain years prior to 1979. The only reason they were not discovered was that people had not established at that time the thinking that economic results were the core of our socialist construction. Moreover, they regarded years of slow growth speed as a necessary stage through which we could proceed from one period of high growth speed to another. Therefore, this kind of situation did not attract people's attention. Nevertheless, this situation became more acute after people had established the thinking concerning economic results. Thus, the question concerning economic growth at an appropriate speed was raised.

II. Substance of Economic Growth at Appropriate Speed

What is the appropriate economic growth speed? I hold that judging from China's current specific conditions, we must grasp well the substance of the following three points.

First, an appropriate economic growth speed must be subject to a prerequisite of being favorable as far as possible to the improvement of economic results.

Having said that it must be "favorable," I mean that it must help the current production cycle as well as succeeding ones. Proceeding from the viewpoint of production, improving economic results is not only a precondition determining the speed of economic growth, but also the basis of economic growth. Therefore, we may, on the one hand, avoid a vicious cycle in handling the growth speed and economic results; that is, ignoring economic results when we determine the economic growth speed, so that there is a drop in economic results; which in return restricts the speed of, or even causes a fall in, economic growth. On the other hand, we may establish a benign link between the growth speed and economic results. That is, we take the improvement of economic results as the prerequisite and basis when we determine the economic growth speed, so that we may eventually improve economic results, and further promote a steady economic growth. A necessary condition for achieving this goal is that it must be bearable by the state. Moreover, this does not refer to the current production cycle, but to successive ones. Thus, such a speed may help the national economy develop in a continuous and steady manner, thereby maintaining the economic results, and strengthening stability.

Second, the characteristic of an appropriate economic growth speed is that it is pursued under the condition that China's economic growth is not balanced.

Because of the traditional economic system, the influence of our economic development strategy, and our mistakes in reform and development, China's economy was in another seriously imbalanced state in 1988. Though we made remarkable achievements in the economic readjustment in recent years, we did not make a fundamental change in the state of economic imbalance. In particular, it takes rather a long time to change an imbalanced state in the processing industry and primary industry. This is the first reason. Another reason that China's imbalanced economic growth takes a longer time to correct is: We cannot put an end to the current two-tier economic structure just by making short-term efforts. While the basis of modern technology in industry, however, makes it possible for us to rapidly increase the growth speed of industry, the basis of traditional technology in agriculture restricts such a possibility. This is the second reason. The profound reason that China's economy has seen imbalanced growth is the traditional economic system. Nevertheless, the task of thoroughly reforming this system is not a short-term one. This is the third reason. Therefore, even though our macroeconomic policies are correct, we can only ease, to a larger extent, the imbalanced state for a certain period. It is still inevitable that the imbalanced economic state will emerge again. When we determine an appropriate speed for China's economic growth under such circumstances, we must consider the characteristics of such imbalanced growth.

Under the conditions of having a balanced economic growth, the fixed costs of production will become higher when the economic growth speed is still below a level at which the existing production capacity of various industrial departments is fully utilized. This is because under such circumstances, the fixed costs are shared by very few products. Under such a condition, the fixed costs will be shared by more products when there is an increase in the economic growth speed, so that the fixed costs of production will gradually drop until the existing production capacity of various departments is fully utilized. It will be the level at which the fixed costs drop to their lowest point. The speed corresponding to this lowest point is the appropriate economic growth speed. Thus, we can see that there are positive interrelated relations between the economic growth speed and economic results.

Under the conditions of having an imbalanced economic growth, however, the situation will be different. In this case, the relations between the economic growth speed and economic results are generally classified into three categories: 1) If the economic growth speed is excessively low, and much of the existing production capacity (including that of departments making oversupplied goods, or making goods in short supply) is left unused because of a drop in the aggregate demand, the fixed cost per unit product will become higher. At this time, those products in short supply can meet the demand for oversupplied products. Even though there is a supply-demand gap between the two, it will not be a wide one. 2) If the economic growth speed has reached a certain level, the fixed cost of products will drop because of an increase in the utilization rate of the production capacity of the whole society. When the growth of the whole economy becomes more rapid, however, the supply-demand gap between over-supplied products and products in short supply will be widened, so that part of such production capacity, which is intended for the production of oversupplied products, will be left unused because of insufficient supply of those products in short supply. Hence, the fixed cost of products increases. Therefore, there emerge two types of forces to respectively reduce, or increase, the production cost. When these forces are equal, the production cost of products rises from a low level and stops at a turning point. The economic growth speed corresponding to the turning point is the growth speed that yields the best economic results under the conditions of having an imbalanced economic growth, that is, the appropriate economic growth speed. 3) If the economic growth speed further increases, the supply-demand gap between over-supplied products and products in short supply will be widened, so that the force that pushes up production costs will be stronger than that that pushes down production costs, and thus economic results will be undermined.

The determination of an appropriate economic growth speed at this point is made under the prerequisite that there is a gap between over-supplied products and products in short supply. If this gap is narrowed, the value of

such an appropriate economic growth speed will rise. When this gap disappears, the economic growth is at a balanced state, and the value of such an appropriate economic growth speed is at its zenith. Thus, we can see that only when the economy is in a balanced state can the appropriate economic growth speed, which is determined according to the principle of giving priority to economic results, reach its upper limit. Otherwise, with an imbalanced economic growth, it is inevitable that its appropriate economic growth speed must be below its upper limit. This is because in this case, the existing production capacity cannot be fully utilized.

Based on the foregoing analysis, we may come to the following conclusions: 1) Under the conditions of having an imbalanced economic growth, the appropriate economic growth speed, determined according to the principle of giving priority to economic results, is the growth speed corresponding to the turning point formed by an increase in production cost. 2) Either an excessively high, or an excessively low, growth speed, determined according to the appropriate growth speed, will push up production cost, and undermine economic results. 3) The appropriate growth speed of an imbalanced economy will increase when the supply-demand gap between over-supplied products and products in short supply is narrowed. 4) Only when the economy grows in a balanced state can the appropriate economic growth speed reach its upper limit.

Third, characteristics of achieving the appropriate economic growth speed under the condition that China's economic cycles are fluctuating.

Under the traditional economic system, there is a mechanism for investment inflation that causes chronic economic dislocation and economic fluctuations. Following the economic structural reform, the central government decided to decentralize the decisionmaking power to local governments, economic departments, and enterprises; and allowed them to retain more profits. It thus formed diversified economic interests. Meanwhile, we did not set up a corresponding mechanism to bind such enterprises, the market, and acts of macroeconomic readjustment; so that there developed inflation in the demand for investment and in the demand for consumption. Nevertheless, it takes time to thoroughly reform the traditional economic system, and to realize the transition from the old system to a new one. During this period, it is inevitable that there may be chronic economic fluctuations. Even though we have adopted correct measures for the macroeconomic readjustment, we can only reduce the scope of fluctuation. We cannot thoroughly eliminate such chronic fluctuation in the economy. Therefore, if we ignore this point, we shall be unable to handle well the characteristics of having the appropriate economic growth speed.

To illustrate the issue more clearly, we may divide an economic cycle into the following three phases according to its economic growth speed: 1) those years in which the economic growth speed is highest; 2) those years in

which the economic growth speed is neither very high nor very low; and 3) those years in which the economic growth speed is lowest. Therefore, under the condition that there are chronic economic fluctuations, such appropriate economic growth speed exists with its characteristics. Under the condition that chronic fluctuations in economic development are absent, the appropriate economic growth speed may exist in any year. When there are chronic economic fluctuations, however, such an appropriate economic growth speed develops only in those years when the speed of economic development is neither too high nor too low. When the speed in a given year is at the highest, or the lowest, level, the speed of economic development will be increased or reduced, because such speed has deviated from the appropriate economic growth speed. Of course, we may regard the average annual growth speed in a given cycle as the appropriate economic growth speed.

III. Ways To Determine China's Appropriate Economic Growth Speed in the 1990's

An issue worth study is how to determine our appropriate economic growth speed in the 1990's. Generally speaking, we may take the following approaches: The first is assessment by our past experience; the second is assessment by means of economics and mathematics; and the third is the combination of the above two. It is suggested that the first is better. At first glance, it seems that the approach of assessment by past experience is not so reliable as that by means of economics and mathematics. In fact, however, economics and mathematics are also an abstract means that inevitably require us to discard many specific conditions. On the other hand, assessment by past experience reflects various specific historical conditions. By proceeding from this viewpoint, we see that assessment by past experience is also a reliable approach. Of course, we must not substitute an investigation of past experience for an analysis of current and future conditions. On the other hand, it is certain that the information revealed by such experience will provide important reference parameters concerning our economic growth speed.

The first question we encounter at this point is: What kind of index should be selected to reflect the economic growth speed. Of course, it is not bad to use the gross output value of society as such an index. But there are disadvantages in two aspects: First, it cannot cover the national economy as a whole. This is because it only includes five material production departments, namely agriculture, industry, construction industry, transport industry, and commerce; and excludes those trades of the tertiary industry. Second, it cannot eliminate duplicated calculations, and thus, to a certain extent, is exaggerated. Nevertheless, we may avoid these disadvantages if we adopt the GNP value as the index to reflect the economic growth speed. Under China's present economic statistics, however, there were no GNP statistics for the period from 1952 to 1977 (though we have the statistics of gross output value of society for the period from 1952 to 1988). Therefore, we can only use the gross

output value of society to reflect the economic growth speed following the founding of New China, and use it to determine an appropriate growth speed for such a value in the 1990's, even though it has shortcomings. Of course, after such speed has been determined, we may determine an appropriate GNP growth speed by basing it on the ratio of growth of GNP value to that of gross output value of society in the past decade.

To correctly summarize our past experience, and make the reference parameters proposed herein a useful value for reference purpose, it is more reliable that we should select the average annual growth speed of different economic cycles in the years after liberation. It must be stressed here that: First, each economic cycle includes all such years in which the economic growth speed was at the highest, middle, and lowest level. Therefore, an average annual growth speed calculated for a given cycle may generally reflect the appropriate speed that corresponded to the national strength at that time. Second, the average annual growth rate of each cycle may vary greatly because of differences in the extent of functions played by the economic, technological and political factors. Thus, the calculation of average annual growth speed for those cycles over a rather long period after liberation can reflect more reliably the appropriate growth speed that corresponded to the national strength in that period. Therefore, the calculated average annual growth speed of gross output value of society during the 1953-1987 period, which covers the first cycle (1953-1955), the second cycle (1956-1957), the third cycle (1958-1969), the fourth cycle (1970-1977), the fifth cycle (1978-1984), and the sixth cycle (1985-1987) of economic development is 8.6 percent. We should take it as the reference parameter for our future economic growth speed.

Now, we may calculate the appropriate GNP growth speed based on the ratio of average annual growth speed of gross output value of society to that of GNP value, and use it as our reference parameter for our average economic growth speed in the future. Because of the limitations of our statistical materials, we can only calculate such a ratio for the period from 1979 to 1988. The calculations show that between 1979 and 1988, the ratio of average annual growth speed of gross output value of society to that of GNP value was 1:0.86. Basing on this, the reference parameter of the GNP value for the average economic growth speed in the 1990's will be 7.4 percent.

Of course, this is only a reference parameter. We need to consider the following two points in order to determine whether or not this parameter is appropriate in most cases for our economic growth speed in the 1990's. First, because of the traditional economic system and the influence of economic strategy, even when we base our calculations on protracted past experience, a GNP growth rate of 7.4 percent is too high. Second, if China's economic system and economic strategy are changed, and the socialist modernization construction relating to such changes is smoothly carried out, it will be more

favorable for China to raise its economic growth speed. Taking into consideration the above points, we may assume that China's appropriate GNP growth speed in the 1990's is about seven percent.

Nevertheless, just as I have mentioned, under the condition of having chronic economic fluctuations, such appropriate economic growth exists only in those years when the economic growth speed is neither too high nor too low. Otherwise, the appropriate economic growth will be higher or lower than seven percent. But what are the suitable upper and lower limits? We need to study the factors that affect such limits.

China's experience in socialist construction indicates that: The risks of rapid economic growth mostly come from industry. Furthermore, this will remain true for a long time to come. This is not incidental. During the period when the new system is replacing the old one, there exists the mechanism of investment inflation, and the mechanism of demand inflation, in the state-owned industries, which are the principal part of industry. On the other hand, in the area of distribution, certain factors of the supply system (such as low rent, and grain, food, oil, and other price subsidies and allowances) further boost demand inflation. Therefore, there are powerful factors on both the investment and consumption sides to promote rapid industrial development. In addition, the modern technology of industry adds fuel to such rapid growth by providing powerful material means. In agriculture, however, the contracted responsibility system with payment linked to output combines in a better way the incentive mechanism and the constraint mechanism, so that such inflation and supply mechanisms never exist as in industry. Also, the traditionally backward technology in agriculture has restricted the development speed of agriculture.

Based on such an analysis, we may, to a larger extent, sum up those factors that limit a high economic growth speed into factors that put an upper limit on rapid industrial growth. Also, rapid industrial growth is restricted by the basic industries such as agriculture, energy, raw materials, and transport. The scale of seriousness in the current dislocation between industry and these basic industries is unprecedented in many areas. This thus basically puts an upper limit on China's industrial growth. Generally speaking, it therefore puts an upper limit on China's economic growth. Under such circumstances, it would be better if we take the GNP annual growth rate, which should be about nine percent, as the upper limit of economic growth.

Factors that put a lower limit on such growth are different from those determining the upper limit. These cover the needs of socialist economic development, and China's present specific conditions. They mainly include the following points: First, the socialist economy requires us to continuously engage in expanded reproduction. Therefore, we need, on the one hand, to annually increase the fixed capital and working capital by a certain amount. In particular, we must meet the demand

by basic industries to invest in basic construction, which is presently the bottleneck of national economic development. On the other, expanded reproduction in the form of extension still occupies the dominant position, and we need to annually increase manpower for it by a certain amount. In 1988, the total number of laborers in society was 543.34 million, or 141.82 million more than in 1978. On average, the annual increase was 14,182,000.¹ The annual increase in the number of laborers in the 1990's will remain very great. Therefore, we need to annually increase funds for labor rewards by an enormous amount.

Second, under the circumstances where the socialist economy develops normally, we need to constantly improve the people's material level and education background in the wake of production development. However, we are facing great pressures in this respect—the pressure to improve the living standards of the existing population, and that of the newly increased population; and the pressure to improve the living standard of current laborers, and that of retired laborers. The demand of all such pressures is very great. By the end of 1989, China's population had reached 1,111.91 million. During the period from 1986 to 1989, the annual increase in population was around 15 million. This situation will continue for several years. By the end of 1989, China's total number of workers was 137.4 million. Between 1978 and 1988, China's number of retired workers increased from 3.14 million to 21.15 million. The ratio of such retired workers to workers in employment increased from 1:30.3 to 1:6.4.² From now on, the number of retired workers will continue to increase sharply. According to the sample surveys and estimations by relevant units, the present proportion of the total population whose age is over 60 is nine percent. It will reach 10.18 percent by the year 2000.

The current problem is: What is the principal solution, to boost the national income by improving economic results, or to increase the economic growth speed so as to meet the above-mentioned demands? In the 1990's, China is still at the stage of transition from extensive expanded reproduction to intensive expanded reproduction. Thus, in the gross national income value, the proportion of newly increased national income yielded by improved economic results will not occupy a dominant position, even though it will increase. On the other hand, the proportion of that portion of national income brought by an increase in the economic growth speed will continue to occupy a dominant position, even though it will decrease. It is just because of this point that China's economic growth speed during the above-mentioned period should not be too low. It would be better if the lower limit of the GNP annual growth rate is set at around five percent. If the lower limit is set too low, it will be difficult for us to meet the above demands.

In short, it would be better if we set China's appropriate economic growth rate at around seven percent, with the upper limit at nine percent, and the lower limit at five percent.

It must be emphasized and pointed out here: It is inevitable that for a long time in future, economic growth will be subject to chronic fluctuations. Under these circumstances, it is very important that the state should implement macroeconomic readjustment to handle these problems. This is because: First, it clarifies an important objective for correctly implementing macroeconomic management, that is, to realize an appropriate economic growth rate. Second, it works out a security line for effectively implementing macroeconomic readjustment in those years when the economy is overheated, that is, we must implement austerity policies when the economic growth rate reaches the upper limit. Third, it also works out a security line for effectively implementing the macroeconomic readjustment in those years when the economy develops at a low speed, that is, we must implement relaxed policies when the economic growth rate reaches the lower limit.

Footnotes

1. China Statistics Yearbook (1989) p 101
2. China Statistics Yearbook (1989) pp 87, 152; and RENMIN RIBAO 21 Feb 1990 p 2

Article Urges Further Contract, Price Reform

HK0811151490 Beijing RENMIN RIBAO in Chinese
4 Nov 90 p 1

[Article by Yuan Fei (6678 7236): "Separating Profit and Tax Represents the Direction Toward Improving the Enterprise Contracted Responsibility System"]

[Text] The separation of profit and tax for enterprises is an unavoidable trend. When an enterprise submits profits, this speaks for the relations between the enterprise and its owner. When it pays tax to the state, this speaks for the relationship between it and the government. Profit and tax are different in nature and therefore must, and should, be separated. Tax is levied by percentage and what is included in the contract is after-tax profits.

The practice of contract operation in enterprises is an effective form of separation between the enterprise ownership right and management right, representing an important reform in the enterprise management system. All this is specifically stated in the "Enterprise Law." At present, the enterprise contract system is far from standardized or perfect. Improving the contract system by separating profit from tax will deepen enterprise reform and develop the enterprise contract system.

The absence of a standardized enterprise contract system can of course be explained by the fact that the contract system itself is imperfect. But there are objective causes independent of man's will, one of the more important of which is that prices have not yet been straightened out. Under irrational prices, enterprises with large profits and taxes are not necessarily well operated and managed; and enterprises with small profits and taxes, or even

suffering losses, especially losses incurred by policies, are not necessarily poorly operated and managed. If there were a unified tax percentage with which to implement the separation of profit and tax and after-tax contract, then enterprises with relatively high-priced products, and hence more profits, would benefit more; those whose products tend to be low in price and which therefore reap small profits will submit less in tax and will have less enterprise retained profits; and those suffering losses will of course have no profit tax and the practice of the separation of profit and tax and after-tax contract will not mean much for this type of enterprise.

One necessary condition for the general implementation of the separation of profit and tax and after-tax contract, is the straightening out of prices. The law of value is the basic law of a commodity economy. A socialist planned commodity economy is also a commodity economy. Self-consciously using the law of value is one characteristic of a planned commodity economy. Fundamentally speaking, socialism can self-consciously employ the law of value because the socialist economy takes public ownership as the main body. This is the superiority of socialism.

We must act according to the requirement of the law of value and conduct price reform but the present irrational price situation was formed many years ago. Reform is a process. If it is too hasty and too fast, it will cause social turmoil. As a matter of fact, we are conducting price reform. The reason why the present price level is basically stable, and the people's mood is stable, is because price adjustment has been so controlled that it has been kept within the limits of people's endurance. Under the conditions of maintaining a basically stable price level and the prevention of inflation, it is necessary, as well as practicable, to annually carry out local adjustments to extremely irrational commodity prices. That is to say, "small-step microadjustment." After some years of such limited local adjustments, prices will be basically straightened out. That is to say, the price of a commodity, its value, the demand and supply of the commodity, and the average social profit rate, are basically adjusted to each other. This is an important content and goal of the economic structural reform. We must actively carry it out, step by step in a very safe and sound manner.

Since price reform is a long-term mission, the practice in enterprises of the separation of profit and tax and after-tax contract should also be carried out in planned steps. The launching of a new system involves many different sides. Action, as well as caution, is called for. The separation of profit and tax and after-tax contract, as a direction, should be affirmed. For the present, we should choose certain regions and trades in which to conduct pilot projects. When they prove successful, we will then gradually, as conditions allow, extend the programs. But even in regions, trades, and enterprises where no pilot projects are launched, we will still proceed with the existing contract method and improve it to maintain policy continuity and stability.

Enterprises are cells for society and a direct creator of social wealth. In the final analysis, our reform must serve to arouse the motivation of enterprises. When the enterprise operators and producers are motivated, enterprises will be dynamic and only then can they create more wealth for society, accumulate more capital for the state, and make a bigger "pie." We must pay full attention to this point when carrying out various reforms, including the gradual implementation of the separation of profit and tax and after-tax contract.

Tax Evaders, Exemptions, Reductions Targeted

OW0911020090 Beijing XINHUA Domestic Service
in Chinese 1329 GMT 8 Nov 90

[By reporter Ding Jianming (0002 1017 6900); Local Broadcast News Service]

[Text] Beijing, 8 Nov (XINHUA)—Jin Xin, director of the State Administration of Taxation, today told the national meeting of tax bureau chiefs that tax evasion still exists in our country. Some localities are still making unauthorized tax reductions and granting unauthorized tax exemptions. He called on tax organs at all levels to strictly abide by the state's tax collection policy, persist in collecting taxes according to law, and try every possible means to collect all taxes due.

The nation collected 158.8 billion yuan in industrial and commercial taxes in the first 10 months of this year, an increase of 3.8 percent over the same period last year, but fell short of set targets. Nevertheless, Jin Xin maintained that although this year's tax revenues are far from ideal, they still basically correspond to the level of the economic growth in the same period.

To better complete this year's tax collection tasks, Jin Xin called on tax organs at all levels to strictly control tax reductions and exemptions in the next two months. He also called on tax organs to absolutely not grant tax reductions or exemptions to industrial and commercial enterprises which are, according to state policy, ineligible. He said that tax organs should resolutely stop localities from granting unauthorized tax reductions or exemptions. As for tax reductions and exemptions granted in support of industrial and commercial enterprises, Jin Xin said they should be properly regulated and strictly managed. He also called on tax organs to strengthen management over tax reimbursement and collection of tobacco taxes and to do a good job in the general examination of taxation.

Jin Xin also called on tax organs at all levels to do their best to clear up outstanding taxes to ensure revenues for the state.

To resolve smoothly outstanding tax questions, the State Administration of Taxation will levy fines on enterprises which are either behind in their tax payments or have put off tax payments. Enterprises and departments

which should settle outstanding taxes according to regulations but fail to do so will not be permitted to purchase commodities under special state control.

Industrial Policy Conference Views Restructuring
*OW0911010990 Beijing XINHUA Domestic Service
in Chinese 1440 GMT 8 Nov 90*

[By reporter Wu Shishen (0702 1102 3234)]

[Text] Tianjin, 8 Nov (XINHUA)—The guidelines for future readjustment of China's industrial structure have been initially determined: Vigorously developing agriculture, strengthening basic industries, reorganizing and transforming the processing industry, and expanding tertiary industry. The state is making further studies and will formulate a series of policies and measures for substantial readjustment of the industrial structure to achieve steady and coordinated development of the national economy.

The national conference on industrial policy which opened today noted that with the advance of the effort to improve the economic environment, rectify the economic order, and deepen reform, the key to developing the national economy lies in readjusting the industrial setup and raising economic efficiency. In accordance with the domestic and international environments faced by economic development in the 1990's, the state will, while insisting on economic balance as the prerequisite, strive to change the present irrational industrial structure in order to adapt to changing markets at home and

abroad and to enable the economy to develop in a coordinated way and raise industrial quality step by step.

Gold Production Enters Period of Steady Growth
*HK0811113990 Beijing RENMIN RIBAO in Chinese
1 Nov 90 p 2*

[Report: "China's Gold Production Has Entered a Golden Period"]

[Text] At the second national conference on gold science and technology held on 30 October, Xu Daquan, director of the National Administration of Gold Control, said: Our country's gold production is in a golden period of steady growth. During the period of the Seventh Five-Year Plan, output of gold maintains a good momentum of a yearly average increase of 10.37 percent. Xu Daquan said: During the period of the Seventh Five-Year Plan, the state is adopting a policy to support the gold industry and controlling prospecting, development, and production in a coordinated way to ensure our country's gold geological prospecting and production are developing quickly. At the same time, gold science and technology are vigorously being developed. During these five years, the gold corporation has invested 25.8 million yuan in science and technology, an increase of 75 percent over the period of the Sixth Five-Year Plan; and the funds for science and technology raised by enterprises themselves have increased comparatively greatly. As a result of the enhancement of mining technology, the gold geological resources utilization ratio has increased from 50 percent to 62 percent; and scientific and technological projects have increased from 100 in the period of the "Sixth Five-Year Plan" to 443.

East Region

Lu Rongjing-Led Team From Anhui Visits Shandong

SK0811024990 Jinan Shandong Provincial Service
in Mandarin 2300 GMT 7 Nov 90

[Text] Accompanied by Song Fatang, vice governor of Shandong Province, the Shandong observation and visiting team from Anhui Province, led by Lu Rongjing, secretary of the Anhui Provincial Party Committee, and Fu Xishou, deputy secretary of the Anhui Provincial Party Committee and governor of the province, visited some plants and rural areas in Jinan, Linyi, Weifang, Yantai, Weihai, and Qingdao during the last nine days.

While in Qingdao, accompanied by Guo Songnian, secretary of the Qingdao City Party Committee, the team visited Jimo City, the Laoshan District (Hengyang) No. 4 Towel Factory, and some other town and township enterprises and joint ventures.

Lu Rongjing, secretary of the Anhui Provincial Party Committee, and Fu Xishou, governor of Anhui Province, said: Many of Shandong's experiences, particularly in developing town and township enterprises, merit our study and use for reference. We hope that in the future, our two provinces will strengthen exchanges and cooperation and take advantage of our superiority to promote each other's production in common.

On the afternoon of 7 November, the Shandong observation team from Anhui Province returned to Hefei by plane after satisfactorily completing its visit to Shandong.

Fujian Continues To Attract Foreign Investment

OW0611131790 Shanghai City Service in Mandarin
2300 GMT 4 Nov 90

[From the "Morning News" program]

[Text] Since the beginning of the 1990's, Fujian Province has experienced another upsurge in attracting foreign investments.

Fujian Province reached its first golden age for attracting foreign investment in the autumn of 1986 after the State Council's announcement of 22-year regulations on encouraging foreign investment. In 1987, foreign investment in Fujian shot up to \$219 million. In 1988, it went up to \$625 million.

Among the current outstanding characteristics of Fujian's second golden age for attracting foreign and Taiwanese investment are the following: 1) Taiwanese investment has become a mainstay. From January to September this year, out of the total investment of \$634 million attracted to the entire province, 61 percent was Taiwanese investment. 2) The trend of investment tends toward rationalization. The scope has continued to expand, and technical levels and the ability to earn foreign exchange have continued to increase. The

number of projects related to basic industries and infrastructure facilities, which can earn more foreign exchange through exports, and which are advanced in technology has increased considerably. 3) Investments have been made for longer periods and for complete sets of projects. This year, quite a few investments are for periods of more than 50 years. In the trade fair held in Xiamen this year, investments in energy and communications projects, and agricultural development amounted to 28 percent of the total investment. 4) The trend of foreign investors contracting for development of large tracts of land is going strong. In Fuzhou alone, the total investment in ongoing and planned construction projects has reached 645 million yuan.

The craze by Taiwanese businessmen for investment in Fujian is directly attributed to the gradually improving investment environment in Fujian. At present, Fujian Province is vigorously constructing a second group of infrastructure facilities on a larger scale, while working hard to perfect services for investors. The various counties and cities throughout the province have established more than 40 organizations providing services and consultations on investment and trade for Taiwanese businessmen. They implement a "one-stop joint office" system and offer a complete set of services for Taiwan businessmen in conducting surveys and negotiations, and making investments. They also give Taiwan businessmen full support in supplying energy, and raw and semifinished materials; employing personnel; and handling complaints, thereby giving investors a feeling of safety, convenience, flexibility, and mutual benefits.

Computerized Public Inquiry System in Shanghai

OW0511211390 Beijing XINHUA in English
1443 GMT 5 Nov 90

[Text] Shanghai, Nov 5 (XINHUA)—From today on, anyone in Shanghai can get information about the municipal government's affairs through the Shanghai public information computer system.

This is the first time such a system has been put into operation in China.

The computer system can provide information covering laws and regulations concerning foreign affairs or foreign nationals, financial and tax policies, municipal facts and figures, a list of Shanghai's export-oriented enterprises, investment guide and other services.

Central-South Region

Shenzhen's Black Market for Stocks Remains Brisk

HK0711110990 Hong Kong ZHONGGUO TONGXUN
SHE in Chinese 0814 GMT 2 Nov 90

[Report: "The Worrisome Condition of Black Market for Stocks in Shenzhen"—ZHONGGUO TONGXUN SHE headline]

[Text] Shenzhen, 2 Nov (ZHONGGUO TONGXUN SHE)—Although the Shenzhen [Special Economic Zone—SEZ] Municipal Government promulgated the interim regulations for securities management in this August and explicitly banned black market stock transactions, black market stock trading in Shenzhen currently remains extremely brisk. Some experts here said such illegal stock transactions would cause very serious consequences, because the stockholders now not only had to bear the risks from the fluctuations of stock prices, but also had to bear the extra risks from the illegal transactions in the black market. The black market transactions also made the stock market in Shenzhen much more precarious.

In 1987, the Shenzhen Development Bank took the lead in issuing "development stocks" to the public. Since then, the stocks with five business companies have been briskly traded in Shenzhen's stock market. However, because a huge amount of idle money was held in the hands of the local residents and huge amounts of funds also poured into Shenzhen from other parts of China, the prices of the stocks were bid up to a higher and higher level. According to some experts, the money pouring into Shenzhen for speculating in the stock amounted to about 10 million yuan per day. However, there was only a limited quantity of stocks available in Shenzhen for the time being, and the high demand and the limited supply just led to the skyrocketing of stock prices. It seemed one would immediately reap a handsome profit as soon as one bought any stocks. This phenomenon in turn stimulated the further upward trend of stock prices. Every day, the quantity of shares to be sold on the market was very limited, and the official stock exchange imposed a price ceiling on the transactions every day. So, many would-be investors with cash in their hands did not hesitate to purchase stocks at a much higher price from the black market while disregarding the repeated prohibitions of the municipal government. As a result, they also bore much heavier risks. First, when they bought the stocks on the black market, they had to pay a cost higher than buying the same shares from the stock exchange on the same day, so they had to bear heavier risks than other buyers who procured stocks through the normal and legal channel. Second, there existed forged share certificates in the black market, and it was hard for them to distinguish the true from the false. It was very likely that they bought forged shares at a high price on the black market. According to local experts, there were two types of forged certificates. Some were completely forged; and others were illegally altered with an additional zero on the figure of a true share certificate. Buyers on the black market might also buy invalid share certificates which were lost by the legal holders who had reported the loss to the authorities concerned.

In the black market stock transactions, buyers and sellers did not know each other. So when the buyer wanted to sell the stocks or claim the rights as a shareholder, he would find it hard to do this because he could not find the identity card of the registered shareholder. At the

same time, the changes in stock price would also cause disputes between buyer and seller. When the stock price continued to rise, the seller might have regretted this and required the buyer to return part of the profits to him in exchange for the use of his identity card. When the stock price dropped, the buyer may have been overcome with regret and required the seller to give up part of latter's profits from the black market price parity. When such disputes occurred, both sides would not find a legal way to reach a compromise. So the lack of legal guarantees made such black market transactions even more dangerous.

Because the black market transactions had no legal validity, the experts issued an appeal to the public and hoped people who intended to trade stocks on the black market would not be blinded by lust for the modest gain lest they be mired in hopeless disputes and irretrievable losses.

Decline of Crime Rate in Guangxi Province Noted

HK061115290 Beijing ZHONGGUO XINWEN
SHE in Chinese 1243 GMT 31 Oct 90

[Report: "Crime Rate Declines In Guangxi"—ZHONGGUO XINWEN SHE headline]

[Text] Nanning, 31 Oct (ZHONGGUO XINWEN SHE)—The highways in a dozen counties and cities in Guangxi, including Guigang, Hepu, and Heshan, where robbers and highwaymen were active for some time, have now come back to the tranquility they used to enjoy and drivers are no longer worried about being robbed when driving at night.

Lin Chaoqun, director of the Public Security Department of Guangxi Autonomous Region, said here today the campaign to give severe punishment to criminal offenses which started last May has shown a marked effect, and public order in Guangxi has started to change for the better. In the past five months and more, over 30,000 criminal cases, of which more than 5,000 are major ones, have been cracked; over 5,000 criminal gangs have been ferreted out, involving over 20,000 people. More than 40,000 criminal offenders have been captured, of whom over 10,000 were criminals who committed crimes that seriously jeopardized society, including homicide, explosion, larceny, and highway robbery. Over 200 military guns, over 18,000 nonmilitary guns and lethal weapons, over 100,000 detonators, over 100 kg of opium, and over 2,000 g of heroin have been seized.

From January through September this year, the number of the criminal cases in Guangxi dropped by 5.7 percent compared with the same period last year, and the number of serious criminal cases dropped by 2.6 percent. Car robbers and highwaymen have met with severe punishment. During the four months before the campaign to give severe punishment to criminal offenses started, there were 30 taxi robberies in Liuzhou City alone. But the period of over five months since the start

of the campaign have only seen two similar cases there. More than 10,000 out of the 20,000-odd streets and villages in the region where social order was relatively poor and which have been put under special care are now enjoying remarkably improving social order.

But Lin Chaoqun pointed out: The problem with Guangxi's social order remains grim, and there are signs of an increase in the number of major criminal cases. It is necessary to continue to deal heavy blows to criminal activities.

Dong Hongxun Interviewed on Reform Issues

HK0811134290 Beijing ZHONGGUO XINWEN
SHE in Chinese 1420 GMT 2 Nov 90

[Report by reporter Mo Chengxiong (5459 2052 7160):
"Deng Hongxun Says Yangpu Has Become a 'Barometer'
for Hainan's Reform and Opening Up"—
ZHONGGUO XINWEN SHE headline]

[Text] Haikou, 2 Nov (ZHONGGUO XINWEN SHE)—
Deng Hongxun, secretary of the Hainan Provincial CPC
Committee, said here today that Hainan's policy of
opening up to the outside world remains unchanged and
that the Yangpu Development Zone has become a
barometer for Hainan's reform and opening up. We must
concentrate our energy on handling this matter well and
strive to fully embark on the construction of the Yangpu
Development Zone in the first half of next year.

Deng Hongxun made the above statement in an interview with reporters from the Hainan magazine, XINSHIJI [The New Century], and from this agency. He also spoke about the various problems related to Hainan's reform and opening up.

When the reporter mentioned the view that, when the construction of the Pudong Development Zone of Shanghai begins, Hainan's further opening up to the outside world would be affected, Mr Deng said: The central authorities have decided to open Pudong and opening up Pudong, like making Hainan into a province and developing its economy, is one of the big projects in China's reform and opening up. The two should promote each other. Specifically, the basic policies of the central authorities toward Hainan's opening up to the outside world have remained unchanged. Moreover, the central authorities have requested that Hainan quicken the pace of opening up. Deng Hongxun said: The Yangpu Development Zone is the linchpin of Hainan's opening up and construction and the Yangpu issue has become an important yardstick for evaluating Hainan's opening up program. We have recently started active work in this aspect. The Yangpu Development Zone is striving to have construction work fully embarked on in the first half of next year.

Deng Hongxun considered developing whole tracts of land with imported foreign funds to be the basic policy for Hainan's opening up and construction. Therefore, Hainan must continue to formulate and offer a series of

preferential policies designed to attract foreign funds and continue to promote the development of an export-oriented economy. He said that, as far as natural conditions are concerned, Hainan has many things in common with Taiwan and Hainan very much welcomes investment by Taiwan enterprise circles. For this purpose Hainan will offer various conveniences.

Speaking on the functions of a planned economy and market economy, Deng Hongxun said: The direction and basic path of Hainan Special Zone's economic development is such that a new system will gradually be formed, distinguished by market regulation and guided by state macroscopic planning. The new system will allow the economy of the special zone to gradually move towards the international economy in the process of opening up to the outside world, will give it the opportunity to explore international procedures in handling affairs, and, finally, it will gradually form an investment environment capable of attracting large amounts of foreign investment.

As for the current "diminished government, enlarged society" system, Mr Deng pointed out that Hainan's pursuit of the "diminished government, enlarged society" system is correct in its direction, despite a few difficulties and problems in operation. We will adhere to and improve the system. He said: To carry out structural reforms, such as the "diminished government, enlarged society," smoothly, a new social security system compatible with these structural reforms must be set up as quickly as possible. For example, already formulated programs such as old age pension, medical insurance, occupational injury insurance, and unemployment insurance. We will strive to promulgate a few more of such new measures next year and also study reform items such as the housing system.

With regard to serious losses and falling returns in Hainan's industrial enterprises, Mr Deng claimed that the key to resolving this problem lies with deepening enterprise reform and enlivening, with effort, the enterprise economy. First, there must be very good implementation of the contract and responsibility system for operations. Second, there must be reform of the enterprise's distribution system on the principle of linking wages with returns, to break the practice of "everyone eating from the same big pot." Third, there must be an adjustment of the enterprise structure and enterprise management must be tightened. When the time is right we can try the share system, practise enterprise merging, develop enterprise corporations, and try to fundamentally resolve the problem of enterprise losses. Touching on agricultural production, Mr Deng said: The present major mission for agriculture is to deepen the integrated reform at the county level; for example, perfecting the rural double-tier operation system, building a multilevel service system revolving around the development of a rural commodity economy, developing various kinds of large specialized households and, in particular, building and perfecting commodity circulation channels in rural areas. At the same time, we must vigorously develop

township and town enterprises, and various kinds of processing industries taking advantage of the growth of local resources, and promote the rapid development of a rural commodity economy. The short-term goals are to realize within a few years, self-sufficiency in grain and a basic financial balance at the county level.

Deng Hongxun finally said: For Hainan it is a case of leaping from a semi-natural and product economy to running large, special economic zones and a large-scale commodity economy. Thus, Hainan requires a period of time to make the conceptual change and to adapt. People must therefore be directed to foster the concept of competition and time (the concept of efficiency), returns, and to attach importance to knowledge and talent. Without resolving the problem of the change in concept it will be hard for reform and opening up to get into its stride.

Southwest Region

Liu Zhengwei Addresses Mobilization Meeting

HK0811145390 Guiyang Guizhou Provincial Service in Mandarin 2300 GMT 7 Nov 90

[Excerpt] Yesterday evening, the provincial people's government held a telephone provincial mobilization meeting on industrial and communications productions.

The meeting called on the broad masses of staff and workers on industrial and communications fronts across the province to work hard for 54 more days in order to fulfill and overfulfill this year's industrial and communications production quotas.

The telephone meeting was presided over by Provincial Governor Wang Chaowen.

Provincial party committee Secretary Liu Zhengwei and Vice Governor Liu Yulin made important speeches at the telephone meeting.

Provincial Vice Governor Zhang Shukui attended.

The principal party and government leaders of various prefectures, autonomous prefectures, cities, and counties and the responsible persons of economic management departments at all levels across the province attended the telephone meeting.

Comrade Liu Zhengwei said: Over the past 10 months, our provincial industrial production has, by and large, maintained a steady growth. Especially, in August, September, and October, our provincial production witnessed an increasingly rapid development. What was most gratifying is that the October production was better than the September production, this being unprecedented in the history of our province. This fully shows that a great difference lies between grasping and not grasping, conscientiously grasping and not conscientiously grasping, as well as tightly grasping and not

tightly grasping industrial and communications productions. Meanwhile, it also shows that our industrial and communications productions have great potential. If the October momentum continues, the fulfillment of this year's production quotas will no doubt stand a very good chance of success.

Liu Zhengwei stressed: This year is a crucial year for rectification and improvement. Whether or not our province can fulfill its industrial production quota will undoubtedly have an important bearing on the political and economic stability and development as well as the fulfillment of the seventh five-year plan, and therefore, will be of great significance.

After analyzing the favorable conditions for fulfilling this year's provincial industrial and communications production quotas, Comrade Liu Zhengwei pointed out: It is only more than 50 days away from the end of this year now. The task is very arduous. The provincial party committee and the provincial government call on all the Communist Party members, Communist Youth League members, and all the cadres and workers on the industrial and communications fronts across the province to develop the Asian Games spirit, make greater efforts, devote more energies, and strive to comprehensively fulfill this year's industrial production quota. The provincial party committee and the provincial government sincerely hope various areas, departments, and enterprises will send the good news of their ahead-of-schedule fulfillment of production quotas as soon as possible.

At the meeting, Vice Governor Liu Yulin analyzed the situation of our province's industrial and communications productions in October. He said: The October provincial industrial and communications productions are the best of this year in terms of quota fulfillment. The whole province realized a total industrial output value of 1.302 billion yuan, representing a 3.3-percent increase over September and a 16.1-percent increase over the corresponding period of last year. The October provincial revenue reached 500.89 million yuan, which is also the best of this year in terms of quota fulfillment. [passage omitted]

Outline Stresses Importance of Conscription

OW0711201990 Lhasa Tibet Television Network in Mandarin 1300 GMT 5 Nov 90

[From the "Tibet News" program]

[Text] The conscription office of the Tibet Autonomous Region recently issued an outline for Propaganda and Education for Conscription Work for Winter 1990. The outline states:

The State Council and the Central Military Commission recently issued a conscription directive for the winter of 1990 to recruit a number of young people of the right age into the Chinese People's Liberation Army [PLA] and the Chinese People's Armed Police Force. This is of vital

significance to consolidating our national defense, stabilizing the situation, ensuring the smooth progress of our socialist modernization program, and strengthening the PLA and the armed police force. Party committees, governments, and people's armed forces departments at all levels throughout the region should firmly carry out the above conscription directive issued by the State Council and the Central Military Commission, make strenuous efforts to guarantee the quality of recruits, and successfully fulfill this year's winter conscription task. The broad masses of youths who have reached the military service age are requested to respond with positive action and vigorously sign up to join the Army so as to make their contribution to defending the motherland.

The outline continues: The Army has a sacred mission. Over the more than 60 years since its founding, the PLA has faithfully implemented the sacred guideline of proceeding from the people's interests in doing everything. It has made tremendous contributions to consolidating the Communist Party's leading position, creating a new socialist China, safeguarding the peace and security of our country, and ensuring that our people are living and working in peace and contentment. In war years, the PLA's standard was dyed red with the blood of officers and men. During the 40 years or so since the People's Republic was founded, our People's Army has shouldered the dual task of defending and constructing the motherland and acted as a strong pillar of the people's democratic dictatorship. Facts have proven that organizationally, our Army is firm and combat effective, and it fully meets the political qualifications as required. It deserves to be regarded as a wall of steel guarding the motherland and as a staunch prop for our socialist revolution and construction. Especially under the new circumstances in which efforts to reform and open to the outside world are ceaselessly deepening and the national economy is developing with each passing day, the People's Army indeed has a heavy and sustained mission to fulfill. It is required to continually undertake the heavy historical task of guarding the border, defending the country, and bringing China to prosperity.

The outline states: The Army is likened to a furnace which creates useful people. As facts over the past decades have told us, it was in this great furnace that most revolutionaries of the older generation underwent the course of development during their brilliant careers from soldiers to generals, and then from generals to great men. Among the people of various walks of life around the country, many leading party and government cadres, backbone personnel, and principal technicians have been tempered in the Army. A large number of Army cadres who have transferred to civilian work and many demobilized and retired servicemen have distinguished themselves in farming and pastoral areas, in urban districts, and in various factories, mines, enterprises, and institutions. They have been an effective force in the four modernizations drive. The party and state are deeply concerned about the Army and pay particular attention to cultivating and improving the all-around

quality of servicemen. They have selected outstanding servicemen to be trained in academies and schools so as to turn them into specialists in various fields. In addition, training courses of one kind or another have been conducted at various levels with the aim of training competent personnel who can do civilian as well as military work. These courses have trained and provided qualified personnel for construction work in various localities, producing considerable social benefits [she hui xiao yi 4357 2585 2400 4135].

The outline states: It is necessary for our people to have a national defense consciousness deeply rooted in their hearts. Where there is a nation, there must be national defense. Consolidated national defense is a major guarantee for the survival and development of a country and its people. There was and is no exception to this in the past and at present, at home and abroad. Enhancement of the national defense consciousness of the whole people is a fine tradition of our party. Since the Fourth Plenary Session of the 13th CPC Central Committee, it has been stressed by the party Central Committee with Comrade Jiang Zemin as the nucleus that while concentrating on economic construction, the whole party and the people throughout the country should attach great importance to and gear up national defense construction and the education in this respect so as to increase the national defense consciousness of the whole nation. In this winter's conscription work, it is necessary to enable the broad masses, in particular young people of military service age, to have a correct understanding of our current state of national defense, foster a firm national defense consciousness, and enhance their understanding of the importance of conscription work.

The outline states: The Army is an armed group undertaking special political tasks. It must have a high sense of organization and discipline, as well as a firm and strong fighting capacity. Owing to this, the State Council and all provinces and autonomous regions have set rather high demands on the ideological quality, education background, and other personal conditions of recruits. With the ever-growing modernization of our armed forces, ensuring the quality of new soldiers has all the more become a key requirement in our conscription work. For this year's winter conscription work, we should give priority to raising the quality of recruits while continuing to strictly adhere to the same qualifications as in previous years.

Jiang Zemin, chairman of the Central Military Commission, recently pointed out: Young people who want to join the Army must undergo strict political screening. The whole party should be mobilized to provide Army units with young people of good quality. If those with criminal records are drafted into the Army, then the leaders concerned should be held responsible. To seriously implement Chairman Jiang Zemin's instructions and the Regulations on Political Qualifications for Citizens To Serve Active Military Duty approved by the State Council and the Central Military Commission, party committees, governments, and social groups at all

levels as well as the vast numbers of cadres and masses should take conscription work as an important task and pay great attention to it in the spirit of fulfilling the obligation of building up the Army and being responsible to the people and themselves. They are requested to assist the conscription departments in ensuring the quality of new recruits.

Departments in charge of conscription at all levels and cadres responsible for receiving new soldiers should uphold principles and act justly. On the question of recruiting children of Army cadres, the State Council and the Central Military Commission point out in the conscription directive: As for drafting children of cadres of PLA units, including armed police units, stationed in border defense regions, off-shore islands, and localities far from residential areas, the provinces, autonomous regions, and municipalities concerned or the respective local cities and counties should determine the number of such recruits. Those who are qualified through political screening and physical examination and who meet other requirements may be approved to join the Army. The educational qualifications may be somewhat lowered as appropriate. Since all of Tibet is a border defense region, children of Army cadres here should receive preferential treatment if they want to join the Army. All localities should take a serious attitude and proceed from the interest of building up the Army when dealing with the question of recruiting children of Army cadres into the Army.

The outline continues: It is imperative to implement the policy of giving special care to families of servicemen and martyrs and to demobilized and retired soldiers. Joining the Army to fulfill the obligation of defending the motherland is a sacred choice made by young people with lofty ideals. Therefore, soldiers and their families as well as martyrs' families should be respected by the entire society.

Governments at all levels and the broad masses of people have the responsibility to make a success of the work of giving such special care and settling demobilized and retired soldiers. This is of great importance to relieving those in active service of worries about family matters, making them fully devoted to the improvement of their units, and thus guaranteeing the stability of their units. Governments, especially civil affairs departments, at all levels should make serious efforts to check how well they are implementing the special-care policy in accordance with the guidelines contained in the Military Service Law, the Regulations on Special Care and Preferential Treatment for Servicemen, the Regulations on the Settlement of Retired Compulsory Military Service Soldiers, and the Provisional Regulations on Preferential Treatment for Dependents of Compulsory Military Service Soldiers, Reference No. 62 of 1986, promulgated by the Regional People's Government. It should be noted that with the implementation of the production responsibility system in farming and pastoral areas, demobilized and retired soldiers should be assured of private mountain land, private livestock, or land to work on

under the responsibility system so as to guarantee that they will enjoy normal living conditions and standards.

The broad masses of youths of military service age and comrade parents: This year's winter conscription work will soon start. It is hoped that you will actively respond to the party's call and vigorously sign up to join the Army. Parents are urged to give positive support to their children in doing so. In this way, you will all contribute to the construction and defense of the motherland with concrete action.

North Region

Xing Chongzhi Receives Overseas Chinese Group

SK0811143490 Shijiazhuang HEBEI RIBAO
in Chinese 26 Sep 90 p 1

[By reporter Huang Dizhen (7806 1229 3791): "Visiting Group of the Chinese Language Teaching Research Society Visits Our Province"]

[Text] "This is Xing Chongzhi, secretary of the Hebei Provincial Party Committee; this is Cheng Weigao, acting governor of Hebei Province; this is Ye Liansong, executive vice governor of Hebei Province; this is Zhuang Qinghe, director of the CHINA TIMES in Los Angeles, the United States; this is Wu Ronghui, professor at Harvard University in the United States; this is Yan Changcheng, director of the Philippine Overseas Chinese middle school; and this is Deng Jihua of the French airline..." When the names of Hebei Province's party and government leaders, and of the 44 descendants of China's Yan and Huang Emperors from 16 countries and regions were introduced one after another, the reception hall of the provincial foreign affairs office resounded with warm applause again and again. At 1830 on the afternoon of 25 September, at this reception hall, leaders of the provincial party committee and the provincial government met with members of the visiting group of the first Chinese language teaching research society, who had come to the province for a visit. During the reception, the host and the guests had a friendly conversation.

Xing Chongzhi said: You have been engaged in Chinese language education abroad for a long time, have accumulated a wealth of valuable experience, and have made unremitting efforts and paid a high price for carrying on Chinese culture. In China, educational workers are often likened to "spring silkworms, candles, and gardeners," and you are also worthy of these honorable names, and are the most respected guests of Hebei. I hope that in the future, you, our friends, will come to Hebei frequently if you have the chance, to strengthen the exchanges and contacts between us in the economic, scientific and technological, cultural, and educational fields. You are welcomed by Hebei's people.

Zhuang Qinghe, director of CHINA TIMES, made a speech on behalf of the guests. He said: "Although we

have lived abroad for a long time, our minds always lean toward our motherland. We all have a patriotic feeling, love for our motherland, the Chinese nation, and the traditional Chinese morality; and we are also determined to educate our students well. Now, the Asian Games are being held in Beijing. This makes all Chinese people in the world take pride in it and throw out our chests, because we are Chinese people. We take pride in every achievement and every progress China has made.

After the reception, the provincial party committee and the provincial government hosted a banquet in honor of the guests. Provincial Acting Governor Cheng Weigao toasted the guests. He said: Overseas Chinese have always had the glorious tradition of loving the motherland and the hometown and supporting the construction of the motherland. Overseas Chinese' concern and selfless support to the motherland and to the country of their ancestors will never be forgotten by the people of their motherland. He wished the guests an even greater achievement in their Chinese language educational cause.

This visiting group arrived in Shijiazhuang City at noon on 25 September. That very afternoon, the group had a look around the city, the capital of the province. On 26 September, the group will visit some schools and tourist scenic spots.

Xing Chongzhi Attends National Day Gathering

SK0811150690 Shijiazhuang HEBEI RIBAO
in Chinese 29 Sep 90 p 1

[By Hu Rihua (5170 2480 5478) and Kong Qicai (1313 0366 2088): "People From Various Circles in the Capital Celebrate National Day and Mid-Autumn Festival"]

[Text] On the afternoon of 28 September, the provincial committee of the Chinese People's Political Consultative Conference [CPPCC] and the united front work department of the provincial party committee cosponsored a gathering in celebration of National Day and the mid-autumn festival. People from various circles of the capital happily gathered to celebrate the 41st anniversary of the founding of the PRC and the first mid-autumn festival of the 1990's.

Invited to the gathering were leading comrades of the provincial party committee, the provincial Advisory Commission, the provincial People's Congress Standing Committee, the provincial government, the provincial CPPCC committee, the provincial military district, the provincial Discipline Inspection Commission, Shijiazhuang Prefecture and Shijiazhuang City; Standing Committee members of the National People's Congress, Standing Committee members and members of the National CPPCC Committee and some Standing Committee members and members of the provincial CPPCC committee, who were living in Shijiazhuang; responsible comrades of the various democratic parties of the province, the provincial federation of industry and commerce, the provincial alumni society of the Huangpu

Military Academy, the provincial association of friends of the CPPCC, and the Hebei Association of Overseas Chinese; and representatives of Taiwan compatriots and their relatives. They were Xing Chongzhi, Lu Chuanzan, Li Bingliang, Yang Zejiang, Guo Zhi, Li Wenshan, Ren Peiyu, Ye Liansong, Liu Shanxiang, Liu Bingyan, Xie Feng, Yue Zongtai, Hong Yi, Du Benjie, Bai Shi, Song Shuhua, Guo Hongqi, Li Feng, Xu Chunxing, Du Jingyi, Wang Enduo, Ma Xinyun, Zhang Ruolin, Chen Lintang, Wang Shusen, Yu Zhenzhong, Jia Qiyun, Lu Zhiguo, Bai Yun, Liu Zhenhua, Dong Naifang, Yuan Qinghe, Wang Manqiu, Fu Liang, Shen Zhifeng and Wang Gang.

Li Wenshan, chairman of the provincial CPPCC committee, gave a speech at the gathering. He said: The CPPCC work is currently encountering a rapidly developing excellent situation. Promulgation of the CPC Central Committee's opinions on persisting in and improving the system of multiparty cooperation and political consultation under the CPC leadership and issuance of the speech of General Secretary Jiang Zemin given at the national united front work conference provided a new opportunity to consolidate and expand the united front and to continuously strengthen the CPPCC work. We should have a good grasp of the law governing the CPPCC work, and lose no time in promoting the work. Under the leadership of the Hebei Provincial CPC Committee, we should unite with people from various circles of the province more extensively, unswervingly carry out the line, principles and policies formulated at the fourth, fifth and sixth plenary sessions of the 13th party Central Committee, and push forward our province's socialist construction.

On behalf of the provincial party committee and government, Li Bingliang, deputy secretary of the provincial party committee, extended festive greetings to all the comrades and friends attending the gathering, members of CPPCC committees at various levels, democratic parties and relevant organizations, and patriotic personages from various circles! He said: The fourth Hebei Provincial CPC Congress defined the general guiding ideology and tasks for the province's work for the next five years as to unswervingly and comprehensively implement the party's basic line, to strengthen and improve party leadership, and to unite the people throughout the province to strive to fulfill the tasks for improving the economic environment and rectifying the economic order, realize the stable political, economic and social development of the province, and redouble the province's GNP and bring the people's life up to a relatively comfortable standard by the end of this century. People throughout the province, including democratic parties and patriotic personages from various circles, should work in unity, and strive to fulfill the glorious and yet arduous tasks set forth by the provincial party committee. It is also hoped that CPPCC committees at various levels, democratic parties and relevant organizations will assist and supervise party committees and governments at various levels in their efforts to implement the instructions of the party Central Committee and the provincial party committee so that the

province's democratic politics can be greatly promoted. Meanwhile, they should also do a good job in improving themselves, and enhance their ability to participate in and discuss the administration of state and government affairs.

Hebei's Xing Visits Police, Security Personnel

SK0811071590 Shijiazhuang HEBEI RIBAO
in Chinese 2 Oct 90 p 1

[Text] On the afternoon of 1 October, Xing Chongzhi, secretary of the provincial party committee, went to the provincial armed police force and the Shijiazhuang City Public Security Bureau to visit the armed police officers and men and public security cadres and policemen who were on duty during the holiday. On behalf of the provincial party committee and government, he extended cordial greetings to all the armed police officers and men and all public security cadres and policemen who were on duty during the holiday period. He said: The security tasks for the current Asian Games are very heavy, and it is also time to celebrate national day and the mid-autumn festival. To ensure the safety of the Asian Games and happy holidays for people throughout the province, you have given up your rest to perform your duties. You have worked very hard. I express thanks to you on behalf of the provincial party committee and government, and all the people throughout the province. You should continue to work hard to successfully fulfill the various security tasks.

Hebei's Xing Chongzhi Visits Power Plants

SK0811065390 Shijiazhuang HEBEI RIBAO
in Chinese 2 Oct 90 p 1

[By reporters Zhou Xinmin (0719 2450 3046) and Zhang Zhixin (1728 1807 2946): "Xing Chongzhi Goes To Two Plants in Shijiazhuang To Discuss The Major Work of Enterprise Development With Cadres And Workers"]

[Text] On 30 September, Xing Chongzhi, secretary of the provincial party committee, Shen Zhifeng, acting mayor of Shijiazhuang City, and responsible persons of pertinent departments went to the Shijiazhuang City Power Equipment Plant, a loss-making enterprise, to learn about its difficulties and discuss methods to help it resolve the difficulties.

Xing Chongzhi came straight to the point, saying: "I heard that your plant is having difficulties. Let us hold a discussion on ways to resolve the difficulties."

Jiao Zengmao, director of the plant, gave a briefing on the current difficulties of the plant. The plant began to have deficits in the 1980's, and lost 1.4 million yuan last year. This year's deficit is expected to be more than 2 million yuan. Major reasons for this are 1) the irrational product mix and a lack of leading and highly competitive products that have great vitality, and 2) a failure in carrying out technical transformation in the Sixth and

Seventh Five-Year Plan periods, which led to the aging of fixed assets, and a lack of funds for technical transformation at present.

Xing Chongzhi stressed: The most important work is to put more efforts into adjustment of product mix and development of leading products that have great vitality. Efforts of both higher and lower levels should be mustered to develop new products. Instead of waiting for, relying on, and asking for assistance from higher levels, enterprises should rely on their own efforts in developing new products. In view of the lack of funds for technical transformation, he stressed that financial resources should be used in a unified manner, and in vital areas instead of minor ones.

During the discussion, some people suggested that difficulties be resolved through cooperation and merge of enterprises and decentralizing the accounting procedures. Xing Chongzhi said: The economic improvement and rectification should be linked closely with the endeavor to deepen reform, and many problems should be solved through the endeavor. Adjustment of product mix and structural changes are a kind of reform. The scale and organization of a plant should be determined in line with the changes in the entire market and products. Large enterprises should remain modest and unassuming but their spirit should be heightened. Spiritual force is helpful for overcoming material difficulties. People should be widely mobilized to make concerted efforts to bridge the difficulties.

On the morning of 1 October, Xing Chongzhi and Shen Zhifeng went with some cadres and workers to the Shijiazhuang Tractor Plant to make an analysis of the reason why its economic returns declined despite its rapid development in production since the beginning of this year. Xing Chongzhi fully affirmed the plant's achievements in adjusting its product mix, and expressed support for its idea of organizing a group of farm machinery enterprises. He said: We have called for efforts to eliminate the practice of making a small enterprise a self-contained unit for many years, but have failed. This problem may be solved through development of a coordinated process, and the practice of optimal organization to preserve the good and eliminate the bad. For this reason, we should break down the barriers between administrative divisions. In view of commercial departments' default of payment for the goods they ordered from enterprises, which created burdens on enterprises, Xing Chongzhi said that we may learn from the experiences of developed countries, and study ways to make the operation of production and marketing departments a coordinated process.

Wang Gang, director of the plant, said that some departments easily imposed fines on enterprises or deprived them of the right to bank loans. After hearing this, Xing Chongzhi stressed: In the economic field, many problems have yet to be solved with regard to how higher-level offices should serve enterprises. Service in the entire process of enterprise operation is also a problem.

All departments and all links should earnestly solve problems for enterprises. The purpose to deepen reform is to invigorate enterprises and help them create a good external environment. We should lighten the burdens on enterprises, and refrain from collecting funds from them or conducting inspection of them arbitrarily. The province as well as the city still have a long way to go regarding how to solve the aforementioned problems and serve enterprises.

Northeast Region

Heilongjiang People's Congress Meeting Ends 7 Nov
SK0811122690 Harbin Heilongjiang Provincial Service
in Mandarin 1000 GMT 7 Nov 90

[Text] The conference sponsored by the provincial party committee on the work of people's congresses concluded on the afternoon of 7 November. It was said at the conference that enhancing the party's leadership over the work of people's congresses and doing a good job in conducting the work of people's congresses are both important parts of upholding and perfecting the party's work and are needed to support or lead the people to be masters of their own affairs.

During the conference, the participants summarized and exchanged the typical experiences gained by various localities in the work of people's congresses, which basically revealed the situation in the province over the past 10 years and the progress it has made through exploration, and the development it has achieved through practice in the work of people's congresses. Popularizing and developing these experiences will enable the work of people's congresses across the province to be improved to a new level and to achieve a new outlook.

During the conference, Zhou Wenhua, deputy secretary of the provincial party committee, delivered a speech in which he made arrangements for the task of how to implement the spirit of this conference. Attending the conference were leading comrades, including Sun Weiben.

Liaoning People's Congress Report on Religion

SK0911041490 Shenyang LIAONING RIBAO
in Chinese 26 Sep 90 p 3

[Text] On the afternoon of 19 September, at the 18th Standing Committee meeting of the Seventh Liaoning People's Congress, Bai Fei, deputy director of the provincial Religious Affairs Bureau, gave a report on the situation and opinions concerning our province's religious work. The report introduced our province's religious work carried out in the past few years, and gave opinions on future work.

Speaking on our province's religious work, Bai Fei said: Thanks to the guidance of the party's religious policies for the socialist period, we affected a new turn for the

better in religious work, and scored fairly great achievements in implementing policies and strengthening management in the past few years. Leading departments at various levels attached importance to religious work, conducted in-depth investigations and study, and solved some problems. In the past few years, we restored and established seven provincial-level patriotic religious organizations; intensified the ideological education of the persons from the religious circles to raise their awareness in patriotism and socialism; cooperated with Heilongjiang and Jilin Provinces to help patriotic religious organizations establish the Shenyang Catholic Theological Institute, the Dongbei Christian Theological Institute, and the Shenyang Institute of Islamic Classics, from which a group of graduates were already engaged in professional religious work in various localities of the three provinces in northeast China; reopened 315 places for religious activities and opened 258 places for simple religious activities; returned 410,000 square meters of houses to religious organizations; and reversed wrong verdicts. Governments at various levels strengthened administrative management of religious affairs, and actively resisted the religious infiltration by hostile forces abroad. Religious organizations at the provincial as well as city and county levels, and temples and churches formulated administrative regulations, detailed regulations, and pledges. While actively developing friendly exchanges, they cooperated with the religious and other relevant departments of other provinces to effectively resist the religious infiltration by hostile forces abroad.

Thanks to the great attention given by leading persons at various levels and their patient and meticulous work, our province's religious situation remained basically stable. During the period when the turmoil and rebellion occurred last year, the religious circles of our province withstood the tests, and made contributions to social stability.

Speaking on the problems in religious work, he said: In the past few years, hostile forces abroad notably intensified their infiltration and sabotage activities through religion; religious activities detrimental to the building of the socialist spiritual civilization occurred now and then; and some religious personnel did missionary work in places other than defined, and others built temples, performed baptism, and accepted believers without permission.

Speaking on future religious work, Bai Fei said: First, we should unswervingly implement the policy of freedom of religious belief. We should correctly treat and handle religious problems, and intensify the education of the persons from religious circles and religious believers on defending stability. Second, we should strengthen administrative management, and further normalize religious activities. The state should protect the legal rights and interests of religious organizations, and temples and churches, the normal teaching and administrative activities of the teachers and administrative personnel of religious institutes, and the normal religious activities of

religious believers. We should support patriotic religious organizations to carry out their activities in line with the principle of running their religious affairs independently, within the scope permitted by the Constitution, laws, and policies, and according to their respective rules and regulations. We will never allow bad persons, although their numbers are small, to take advantage of religions to oppose party leadership and the socialist system, and undermine the unity of the state, social stability, and national unity. We will never allow religious organizations to intervene in the administration, judiciary, and education of the state, nor will we allow restoration of the religious feudal privilege and the exploiting and oppression systems that have already been abolished. Third, In the process of reform and opening up, we should actively develop international friendly religious exchanges on the one hand, and resolutely resist the religious infiltration by hostile forces abroad on the other hand. Illegal religious books, journals, propaganda materials, and audio and video products from abroad should be disposed of according to law. Fourth, we should deal resolute blows to counterrevolutionaries and other criminal elements who use religions to carry out sabotage activities, and resolutely check the activities to take advantage of religious problems to stir up trouble, disrupt public security, and undermine the unity of the state and the nation. Major elements who stir up trouble should be strictly dealt with, and those who violate the criminal law should be punished according to law. Illegal religious organizations that oppose the four cardinal principles and endanger the political power of the state should be resolutely banned according to law upon their discovery. We should disintegrate underground religious forces, win over the majority and isolate the minority. We should deal strict blows according to law to the small number of bad persons who collude with hostile forces abroad to undermine state security. Fifth, we should strengthen leadership over religious work. This is the basic guarantee to make religious work more successful and promote social stability. Under the unified leadership of party committees, we should give full play to the role of united front work, nationalities affairs, religious, public security, judicial, education and propaganda departments and such social organizations as trade unions, Communist Youth League, and women's federations. We should encourage them to show concern for religious work, and perform their functions to carry out religious work successfully in line with the unified arrangements and the responsibilities assigned them.

Northwest Region

Song Hanliang Commends Spread of Legal Knowledge

OW0811005390 Urumqi Xinjiang Television Network
in Mandarin 1400 GMT 7 Nov 90

[From the "Xinjiang News" program]

[Text] The fourth autonomous regional meeting on publicizing the legal system was held in Urumqi on 6

November. Autonomous regional leading comrades Song Hanliang, Tomur Dawamat, Janabil, and Amudun Niyaz attended the meeting and issued prize certificates and prizes to some 100 organizations and some 300 individuals who did a good job in spreading legal knowledge. [video shows leaders presenting prizes, Song Hanliang speaking]

Since 1986, Xinjiang has been popularizing legal knowledge among citizens in accordance with a national plan. In the last five years, cadres and people of all nationalities in Xinjiang have seriously studied China's basic laws. A number of collectives and individuals who enthusiastically popularize legal knowledge have emerged. The prize winners this time, who were commended by both the central and the autonomous regional governments, included some industrial and mining enterprises that educated their workers in the legal system, some leading cadres who led the study and implementation of laws, some legal specialists who spread legal knowledge among citizens, and some law-enforcement cadres who enforced laws seriously and correctly.

Song Hanliang, secretary of the Xinjiang Autonomous Regional Party Committee, delivered an important speech at the meeting. He pointed out: Party committees, people's congress standing committees, governments and leading cadres at all levels should enhance their understanding of the importance of spreading legal knowledge among the people. This is the key to successfully popularizing legal knowledge. First, we should fully understand that doing a serious job in spreading legal knowledge is conducive to Xinjiang's stability and development. Spreading legal knowledge thoroughly and effectively will lay a good foundation and create favorable conditions for the development of all undertakings. We should also understand that doing a good job in spreading legal knowledge will directly promote democracy and the legal system in Xinjiang. When laws are understood and observed by the people, they will become a powerful motive force and greatly promote socialist democracy and the socialist legal system in Xinjiang.

In conclusion, Song Hanliang said: To enforce the law and manage everything according to law is the basic demand and the inevitable trend for the work of spreading legal knowledge. The departments concerned at various levels should work under the unified leadership of the party committees of the corresponding levels, mobilize forces in all quarters, closely rely on people of all nationalities, and institute and improve the mass supervisory system to enforce the law.

Xinjiang PLA Holds Political Work Meeting

OW0911022090 Urumqi Xinjiang Television Service
in Mandarin 1400 GMT 8 Nov 90

[Report by Zhang Hesheng and correspondent Sun Yuanxiang from the "Xinjiang News" program]

[Text] The Xinjiang Military District recently held a political work meeting. Leading comrades of the Xinjiang Military District Gao Huangchang and Tang Guangcai were present at the meeting, which was attended by cadres in charge of political work in various major units. [Video shows large conference hall, across which is strung a banner reading "Xinjiang Military District Political Work Meeting." Ten senior military officers are seated at the front of the hall facing an audience of approximately 100 military men.]

The meeting's participants exchanged their experiences in anticorruption, anti-infiltration, and anti-peaceful evolution education in selected units, summarized achievements in education in the three anti's, and worked out measures for promoting education.

Education in the three anti's is an important measure for strengthening the Army's political construction, which is guided by the important speeches made by Military Commission Chairman Jiang Zemin and Secretary General Yang Baibing during their inspection of Army units stationed in Xinjiang and based on guidelines from the summation of the All-Army Political Work Conference.

It was decided at the meeting that the experience of three units selected by the military district for conducting the education on a trial basis should be popularized in all units under the military district.

The meeting also conveyed the guidelines of the journalistic work meeting of the Lanzhou Military Region and commended a number of advanced units and individuals for journalistic work. [Video focuses on unidentified officer seated in front of the hall as he reads from a prepared text]

Costa Rican President Visits Science Park

*OW0911030090 Taipei CNA in English 1541 GMT
8 Nov 90*

[Text] Taipei, Nov. 8 (CNA)—Costa Rican President Rafael Angel Calderon and Mrs. Calderon visited the Hsinchu Science-based Industrial Park, the Taiwan version of the American Silicon Valley, Thursday.

During the visit, the Costa Rican chief of state toured Acer Inc., the island's top personal computer manufacturer. Acer Chairman Stan Shih presented a portable Spanish-language computer to President Calderon as a souvenir.

Calderon then visited Microelectronics Technology Corp. where the Costa Rican president greeted his family in his Caribbean homeland through a sophisticated satellite communications system. Microelectronics is noted for its design and manufacture of high quality thin film microwave circuits and subsystems.

Later in the day, the Costa Rican first couple toured the National Palace Museum in suburban Taipei to see for themselves a huge collection of Chinese art treasures.

Calderon, who assumed office in May, flew into Taipei Tuesday for a six-day state visit.

Petroleum Corporation Not To Purchase Soviet Oil

*OW0911042190 Taipei CNA in English 1530 GMT
8 Nov 90*

[Text] Taipei, Nov. 8 (CNA)—The Chinese Petroleum Corp. (CPC) of the Republic of China will not purchase crude oil from the Soviet Union for the moment, a CPC spokesman said Thursday, citing economic factors.

"It simply is not economically sound to buy Soviet crude for the time being," the spokesman said.

The Soviet Union's major oilfields are concentrated in the Central Asian region, and the majority of its exports have been shipped to Eastern Asia. Transportation costs would be high if the crude were to be shipped from such a far away location, the spokesman noted.

Even though the Soviet Union pumps crude oil in Sakhalin, the Far East, its output is limited. If CPC decides to buy Soviet oil, the USSR could deliver at most 30,000 tons of crude oil to CPC about every two months, a volume that would supply a refinery for only several hours, the spokesman estimated.

The spokesman added, however, that since possibility of war in the Middle East, the nation's primary oil source, cannot be ruled out, the CPC has been studying the possibility of diversifying its oil suppliers, including the Soviet Union.

Premier Hao Meets With Howard Baker

*OW0911040190 Taipei CNA in English 0244 GMT
9 Nov 90*

[Text] Taipei, Nov. 9 (CNA)—Premier Hao Po-tsun Thursday met with Howard Baker, Ronald Reagan's chief of staff at the White House. Hao thanked Baker for his long-standing friendship with the Republic of China [ROC].

Hao, a former ROC defense minister, also asked Baker to forward his regards to former U.S. Defense Secretaries Caspar Weinberger and Frank Carlucci.

Premier Hao exchanged views with Baker, a senior Republican Party leader, on situations in the Middle East and the Soviet Union and on the Republic of China's mainland policy.

Hao said Soviet leader Mikhail Gorbachev's courage to reform communism deserves supports from the free world.

Baker said he was pleased to see growing people-to-people exchanges across the Taiwan Strait, and added that greater achievements can be expected of the Hao cabinet.

Chiang Hsiao-wu To Attend Japanese Ceremonies

*OW0911025990 Taipei CNA in English 1540 GMT
8 Nov 90*

[Text] Taipei, Nov. 8 (CNA)—The Ministry of Foreign Affairs will name Chiang Hsiao-wu, the Republic of China representative in Tokyo, and Mrs. Chiang to represent the country at the enthronement of the Japanese Emperor on Nov. 12, ministry sources said Thursday.

The Japanese Government has invited the Republic of China through the Interchange Association of Japan to send delegates to attend Emperor Akihito's enthronement, the sources said.

Chiang is representative in Tokyo of the Association of East Asian Relations.

The Association of East Asian Relations and the Interchange Association represent their respective countries in the absence of diplomatic ties between Taipei and Tokyo.

Opposition Party Delegation To Visit Mongolia

*HK0911022790 Hong Kong HONGKONG STANDARD
in English 9 Nov 90 p 10*

[By Fan Cheuk-wan]

[Text] Taiwan's opposition Democratic Progressive Party (DPP) will send a high-level delegation to Mongolia early next year in a move to assert its earlier declaration that Taipei's sovereignty should not cover mainland China and Mongolia.

A spokesman for the DPP, who preferred not to be named, yesterday told the HONGKONG STANDARD the DPP would visit Mongolia as a part of the party's master plan to visit the Soviet Union, and East and West Europe next spring.

"The Wednesday meeting of our Central Standing Committee decided to accept the invitation from the opposition Free Labour Party in Mongolia to visit Ulaanbaatar," the spokesman said.

"The DPP will send a high-level delegation comprising more than 20 senior party leaders.

"The delegation will be headed by our chairman, Huang Hsin-chieh; secretary-general, Chang Chun-hong and director of the foreign affairs department, Lee Chong-fang."

Analysts said the DPP's ambitious tour indicated the opposition party's intention to play a greater role in regional politics.

"As regards the rapidly increasing political and economic exchanges between Taiwan and the Soviet Union and Eastern Europe, it is politically significant for the DPP to enhance bilateral links with these countries," an analyst said.

The DPP spokesman said his party's decision to visit Mongolia was aimed at asserting its earlier declaration that Taiwan's declaration that Taiwan's de facto sovereignty should not cover mainland China and Mongolia.

"Over the past 40 years, the Kuomintang KMT has told the Taiwan people that Mongolia is a part of the Republic of China. The DPP has the obligation to shatter the lies of the KMT," he said.

"It is ridiculous that the KMT will insist that Mongolia belongs to the Republic of China regardless the fact that a majority of the countries in the world have recognised Mongolia as an independent state.

"Through our visit to Mongolia and the subsequent media publicity, we can tell the people of Taiwan that Mongolia is sovereign and does not belong to Taipei."

Mongolia declared independence from China in 1926.

Taiwan does not recognise Mongolia as an independent state although it is a member in the United Nations.

When asked about the DPP plan to visit the mainland, the spokesman said party members were still split over the proposal.

Press reports in Taiwan said the central leadership of the DPP had planned to send an official delegation to the mainland.

But plans for the trip were shelved after Saudi Arabia shifted its recognition from Taipei to Beijing in July.

The DPP spokesman said one of the controversial issues was whether party members should meet senior communist leaders.

And he admitted that many DPP members had opposed discussions on the reunification of China, which the party had officially rejected.

He said the New Tide Faction, the radical proindependence faction within the DPP, insisted that the party should not visit the mainland until Beijing guaranteed not to use military force against Taiwan.

"Until the Central Standing Committee can reach an agreement on the issue, our party will not send any delegation to the mainland," he said.

When asked to comment on a planned trip by the directors of DPP branch offices later this month, the spokesman said they would visit China in their personal capacity only.

Cabinet Approves Pact with Guinea-Bissau

OW0911040790 Taipei CNA in English 1548 GMT
8 Nov 90

[Text] Taipei, Nov. 8 (CNA)—The cabinet Thursday endorsed a general economic and technological cooperation agreement between the Republic of China and the West African nation of Guinea-Bissau.

The agreement was signed in Taipei in early October when Guinea-Bissau President Joao Bernardo Vieira made his first state visit to the Republic of China on Taiwan after the two countries established full diplomatic ties in May 1990.

Under the agreement, the two countries will undertake cooperative projects in trade, science, and technology development.

Agreement details will be spelled out in a subsequent accord, Foreign Ministry sources said.

Appointment of New Envoy to Malawi Approved

OW0811040690 Taipei CNA in English 0259 GMT
8 Nov 90

[Text] Taipei, Nov. 8 (CNA)—The ruling Kuomintang Wednesday endorsed Shih Cheng-jen, director of the Ministry of Foreign Affairs' East Asian and Pacific Department, as the next Republic of China [ROC] ambassador to the Republic of Malawi.

Shih will replace Feng Yueh-tseng, who will be reassigned at a later date.

The endorsement will be submitted to the cabinet for final approval.

Born in 1927, Shih is a graduate of National Taiwan University. He has served as ROC consul general in

Kansas, the United States, and counsellor of the ROC Embassy in South Korea before he assumed his current post.

Extension of Accord with Swaziland Approved

*OW0911034190 Taipei CNA in English 1534 GMT
8 Nov 90*

[Text] Taipei, Nov. 8 (CNA)—The cabinet Thursday approved a three-year extension of an agricultural and technological cooperation agreement between the Republic of China and the Kingdom of Swaziland retro-active to April 30.

The agreement was first signed in April 1984 and then extended for three years in 1987 until April 29, 1990.

President Li Urges Cultural Reshaping

*OW0911032490 Taipei CNA in English 1536 GMT
8 Nov 90*

[Text] Taipei, Nov. 8 (CNA)—President Li Teng-hui said Thursday it is high time to review and reshape

Chinese culture, which, he said, is the Republic of China's national foundation and the base of the country's future development.

The President was speaking to the opening of the National Culture Conference at the National Central Library. The meeting, which will last for two and a half days, has gathered more than 200 national and local government leaders, parliamentarians, artists, and representatives from the cultural circles.

As the 21st century approaches, Li told the largest culture conference in year that modern Chinese should work to establish new ethical norms for modern society and to contribute to the emerging world culture.

Li stressed that Chinese culture can play a role in improving the quality of life and in restoring social order. It may also be helpful to the country's goals of achieving national reunification and boosting world peace, he added.

On Friday, the conference will break into panel discussions which will focus on such subjects as cultural relations between the two sides of the Taiwan Straits and international cultural exchanges.

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